

March 18 1983 continued

CLASSIFIED ADVERTISEMENTS

1. AR

For business Cars and Vans Tel: 0783 44122

COWIE

CONTRACT HIRE LTD

A Cowie Group Forward Trust Joint Venture Company

Britannia

ISM

Fund

P.O. Box 277, St. Helier, Jersey, C.I. Tel: 033 23114

Small businesses... New investment opportunities

p.7

The tennis millionaires

p.15

A FAMILY BUDGET

Sir Geoffrey and a bathroom

p.16

SIR LAWRIE BARRATT

Britain's biggest house builder

p.17

The quest for ET

p.17

AL Rowse on the history men

p.12

NEWS SUMMARY

GENERAL

Thatcher heals rift with Arabs

Mrs Thatcher met a delegation from the Arab League headed by King Hussein of Jordan, and said Britain would support all those who decided their willingness to enter into Middle East peace negotiations.

The meeting ended a rift between Britain and the Arab countries over Mrs Thatcher's earlier refusal to accept a PLO member as part of the delegation.

One delegate said he was pleasantly surprised at the Prime Minister's sympathetic understanding of the Palestinian cause. Page 2

Umberto dead

Italy's ex-King Umberto died in Geneva, aged 78. Parliament had been considering allowing Umberto and his male heirs to return to Italy.

Wages pledge

A statutory minimum wage will probably be introduced by the next Labour Government, Shadow Employment Secretary Eric Varley said. Page 4

Marriage vow

The largest church in South Africa's Coloured community, the NGS, said it would perform inter-racial marriages, violating the law.

Penlee re-run

Penlee disaster investigators are to re-enact the lifeboat's last launch in an identical craft.

Tank man killed

Radio operator Trooper Alastair McCorrie was killed when a Chieftain tank overturned on Salisbury Plain.

Warrant for Nazi

The magistrate overseeing the case against Nazi war criminal Klaus Barbie issued an international arrest warrant for war-time Lyons militia chief Paul Touvier, now in Italy.

Moslems clash

Two people died and 28 were injured in clashes in Karachi between two Moslem sects over the ownership of a mosque.

Cyanide alert

Some 50 gallons of cyanide leaked from a tank at Rolls-Royce's factory at Barnoldswick, Lancs, into a tributary of the Ribbles. Police said it would be diluted to safe levels.

Killer chimp shot

A giant chimpanzee was shot dead in Ivory Coast after tearing two peasants to pieces and ripping off the fingers and nose of a third.

Cover-up row

Two Greek Orthodox bishops in Crete are at odds over plans to set up a nudist resort on the island's south coast.

Briefly

Yugoslav bishops invited Pope John Paul to visit their country. Ashes of former spy Donald Maclean were buried in Buckinghamshire. Soviet Union faces a flu epidemic.

BUSINESS

Sterling at lowest against \$ and DM

STERLING dropped to record closing lows against the dollar and D-mark in thin nervous trading on continued concern over oil prices and fears of a weekend realignment of EMS. It shed 1.45 cents to \$1.4375 and finished at DM 3.565 (DM 3.5575). It also fell to FF 10.27 (FF 10.37), SwFr 3.08 (SwFr 3.0925) and Y357.5 (Y359.25). Its trade-weighted index was 73.9 (79.4), the lowest close since November, 1976. Page 21

DOLLAR rose, helped by a firmer trend in Eurodollar interest rates. It finished at DM 2.396 (DM 2.387), FF 6.31 (FF 6.305), SwFr 2.07 (SwFr 2.0575) and Y240.25 (Y239). Its trade-weighted index was 121.4 (120.6). Page 21

GOLD rose \$6 to \$421.5 in London. In New York the Comex March settlement was \$415.4 (\$419.6). Page 21

GITS fell on sterling's weakness, with losses losing up to a point. Page 24

EQUITIES opened higher but followed gits lower before

Negotiations on EMS expected at weekend

BY JONTHAN CARR AND STEWART FLEMING IN FRANKFURT AND JEREMY STONE

THE finance ministers and central bankers of the European Economic Community are expected to meet in Brussels this weekend to negotiate a realignment of the European Monetary System.

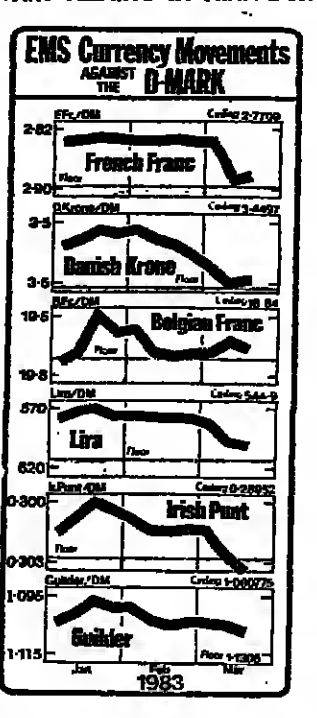
Pressure has mounted continually in recent weeks for a realignment as the EMS has polarised, with several of the weaker currencies - including the French franc, pinned to their floor parities against the strengthening D-mark. It is believed the West Germans asked for the meeting to be called.

Top West German officials warn that if these negotiations do not succeed, the European summit meeting on Monday could be one of the most turbulent and crucial in the Community's history.

They fear that in the event of failure France might decide to leave the EMS rather than devalue the franc and could then introduce strong measures to protect French trade.

If this were to happen, say the Germans, the move would inflict severe strain on the Community itself. "It is not just a question of parity changes within the EMS," a senior official said yesterday.

The Heads of Government of the 10 EEC countries are due to meet in Brussels on Monday. By



Shipbuilder gives jobs cut warning

BY ANDREW FISHER AND DAVID GOODHART

UP TO 9,000 more jobs could be lost at British shipbuilders this year, Sir Robert Atkinson, the chairman, said yesterday.

He told union leaders at a meeting at Newcastle upon Tyne that wages in the industry needed to be frozen. If that was agreed he would press the Government for special help.

British Shipbuilders will already make more than 2,000 people redundant by the end of this month out of its 64,500 workforce.

Order books have dwindled in the shipping crisis, and Far Eastern competition at low prices has intensified.

One yard where heavy job losses are expected is Scott Lithgow on the Clyde. BS referred to order and productivity problems at the yard, but did not confirm expectations that over 2,000 of the 5,500 labour force could go by the summer.

The BS management did not say just where the 9,000 job losses might fall. The figure was only a "guideline," said Mr Maurice Phelps, industrial relations director. "It could go up or down, depending on the state of the market."

After the meeting with BS, union leaders said they did not accept its rejection of their claim for a "substantial" pay increase. Mr Jim Murray, chief negotiator for the Confederation of Shipbuilding and Engineering Unions, said: "We want to avoid confrontation."

He added: "The survival of our industry is at risk, and we must sit down again to discuss the position."

If BS presses ahead with compulsory redundancies the unions might call a delegate conference. But industrial action is unlikely, following the poor response by union members to the call for it when the Robb Caledon yard in Scotland was closed in mid-1981.

Sir Robert did not specify what BS might seek from the Government in the form of aid, or how much.

Special use of Government funds to assist shipowners to order at more favourable terms in British yards is thought to be on his list.

But the Government, which has received separate pleas from the shipping industry for tax incentives to order ships,

International banking supervisory code drafted

By Alan Friedman, Banking Correspondent

THE WORLD'S leading central banks and supervisory authorities have completed a draft international banking supervisory code which is expected to replace the landmark Basle Concordat of 1975.

The new code, being written by supervisors of the Group of 10 countries plus Switzerland, is largely in response to the collapse last year of Banco Ambrosiano's Luxembourg offshoot which was a major vehicle for Ambrosiano group borrowing in the Euro market. Last September the Luxembourg subsidiary of the Italian bank defaulted on several hundred million dollars of loans. It was widely believed to have been left largely unsupervised by the Luxembourg authorities.

The main purpose of the new 2,000-word code is to clarify and elaborate aspects of the Concordat in close to many cases as possible. The key points are:

● A clear statement that in matters of solvency (the inherent financial strength of a bank) it is up to the central bank authority of the parent bank in supervisory. In matters of liquidity (the ability of banks to fund themselves it is up to the authority of the host country to monitor).

● An explicit statement that neither the old Concordat nor the new code suggest the existence of any supervisory "lender of last resort" collection.

● A clear definition of the responsibilities of host and parent country supervisors in matters relating to "intermediate" institutions such as holding companies and joint ventures.

There has been, in recent years, some confusion over whether or not the Concordat suggests that central banks will have a lender-of-last-resort role. But now that the new code makes clear that it does not address this issue, the main document on the subject is a September 1974 communique from the Group of 10 governors.

On the last resort question, this document says: "It would not be practical in lay down in advance (ie. for the future), detailed rules and procedures for the provision of temporary liquidity." It adds that the

Continued on Back Page

Jay quits as chief of TV-am

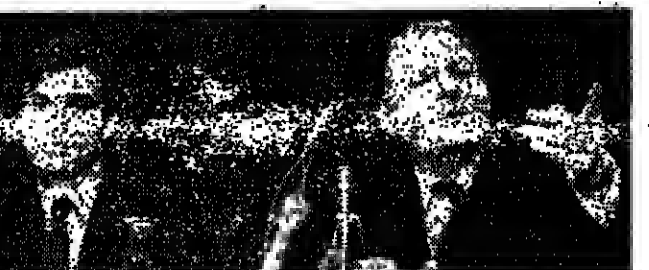
By Raymond Snoddy

MR PETER JAY resigned yesterday as chairman and chief executive of TV-am after shareholders made it clear they believed he had lost control of both the famous presenters and the finances of the commercial breakfast channel.

After a special board meeting at Barclays Merchant Bank yesterday Mr Jay, a former UK ambassador in Washington, said he had taken the decision "for the sake of the future cohesion" of the company. Mr Jay has, however, agreed to remain president of TV-am.

Lord Marsh, deputy chairman, is to take over as non-executive chairman. Mr Jonathan Aitken, who represents Aitken Humm Holdings, the largest single shareholder, is to become chief executive "for the time being." He is not expected to stay in the post for more than three months and the search for a permanent chief executive is likely to begin almost immediately.

The poor ratings coupled with



Mr Jonathan Aitken and Lord Marsh after the board meeting

personality and managerial disagreements prompted the larger shareholders to act. At one stage, the viewing figures dropped to 300,000 while the BBC morning programme was attracting 1.6m viewers without "big star" presenters.

The decision that change was needed was taken at a meeting of shareholders at Barclays Merchant Bank on Thursday in spite of a recent rise in the viewing figures to 400,000.

Mr Aitken said yesterday that TV-am was very strong financially and there was no possibility of running out of money in the short or medium term.

TV-am is believed to have spent in the region of £18.5m out of total available of about £24m.

It is understood that the extent to which the "famous five" presenters—David Frost, Angela Rippon, Anna Ford, Michael Parkinson and Robert Kee—were allowed to dominate the programmes was a key issue with the larger shareholders.

Institutional shareholders hold 70.9 per cent of TV-am. Aitken Humm Holdings, the investment management group, has 16.7 per cent.

The other major TV-am shareholders include Barclays Merchant Bank (9.6 per cent), Rothschild Investment Trust (9.6 per cent), Robert Stigwood (9.6 per cent), Prudential (5.7 per cent), Octopus Publishing (5.5 per cent), Eastern Counties Newspapers (5.5 per cent) and Finance for Industry (5.1 per cent). Individual shareholders include the presenters, Mr Jay and Lord Marsh and others hold 29.1 per cent.

Throgmorton bid for Pentland Trust

BY CLIVE WOLMAN

THE City-based Throgmorton investment trust yesterday announced a £52m takeover bid for the Scottish Pentland investment trust, bringing more complaints from Scottish money managers that their financial independence is being undermined by pin-striped "asset-strippers" from south of the border.

Pentland managers later in the day countered the bid by proposing to merge with two other Edinburgh-managed investment trusts and to set up a series of unit trusts from the three companies' assets which total more than £100m. Stockbrokers said yesterday that this was probably the first takeover battle between investment trusts.

"There are a large number of Scottish investment trusts under threat at the moment from English institutions," said Mr Richard Brotherson, director of East of Scotland fund managers.

"Many people fear that the whole financial community here in Edinburgh is being eroded and that control is passing to London."

Speculation that Throgmorton would make a bid had been rife since the London trust acquired a 24 per cent stake in Pentland in November. Throgmorton specialises in investment in UK service companies, and has £12.3m of its £90m gross assets in unquoted securities. Pentland has 45 per cent of its portfolio overseas.

The Throgmorton offer to Pentland shareholders is a 50-50 mixture of shares and a 27-year debenture, which would increase the trust's borrowings.

Mr Paul Loach, Throgmorton director, said: "This move would give us an overseas exposure and it also helps to reduce the size of the investment trust sector."

Pressures to reduce the number of investment trusts, whose share prices stand at an average 25 per cent discount to their net assets, has led to several London-based investment trusts being turned into unit trusts over the past year.

COMPANY YEAR END MARCH 31st?

Potential savings of up to 60% on your Corporate Tax Bill by acting before this deadline

Send us this Coupon yourself TODAY! Don't rely on someone else doing it for you.

To: Vanbrugh
41/43 Maddox Street, London W1R 9LA. Tel: 01-499 4923

Please tell me how to slash my company's tax bill this financial year.

NAME: _____

ADDRESS: _____

POSITION: _____

Vanbrugh

FT19/3

CHIEF PRICE CHANGES YESTERDAY

RISES		FALLS	
Anderson Strathclyde	206 + 5	Exgr 13pc Conv 85...	£1031 - 1
Ausbacher (Renry)	82 + 6	Treas 13pc 2000...	£115 - 4
Bifurcated	48 + 14	Appleyard	150 - 6
Bliton (Percy)	290 + 8	Assed Dairies	128 - 7
British Cynwalth...	840 + 65	Bejam	230 - 20
Exco Intl	683 + 35	Bio-Isolates	172 - 8
Glaxo	705 + 20	Horizon	490 - 8
GKN	168 + 12	Lloyds Bank	148 - 15
Lytle Shipping	190 + 17	Mellins	540 - 20
Mowlem (J.)	226 + 8	Plessey	455 - 8
Oliver (G.) A	225 + 12	Racal Elect	35 - 4
Oliver (G.) A	450 + 15	Staffs Pottery	27 - 5
Sethab's	64 + 9	Strong and Fianer	122 - 6
Vitabon	45 + 5	Tesco	265 - 20
Westwell	65 + 5	Wilkes (J.)	285 - 20
Western Motor	60 + 10	Deekraal	191 - 11
BP	340 + 8	Gid Mns Kalgoolie	900 - 30
NCA Intl	82 + 4	Hampdon Areas	204 - 15
Thames	495 + 15	Praxair	212 - 9
Van Brugh	344 + 11	Western Mining	325 - 7

CONTENTS

Appointments	4	Gardening	11	SE Weeks Deal...	19	ANNUAL STATEMENTS	18
Arts	12	Gold Markets	21	Stock Markets:	24	BRITISH AMERICAN	18
Books	14	How to Spend It...	22	Wall Street	24	INTERIM STATEMENTS	18
Bridge	10	Ind. Co. News	22	Stocks	24	Staff, Patriotic	4
Chess	10	Leader Page	15	Bourses	24	Tyndall European	1
Collecting	15	Letters	15	Travel	11	SAVINGS OFFERS	1
Commodities	21	Lex	26	TV and Radio	14	Vanbrugh	1
Company News	18	London Options	26	General	3, 4	Britannia Group	3
Contracts	19	Man in the News	28	Labour	3, 4	GRE	5
Crossword	14	Mining	8	Unions	22, 23	Gartmore Fund	6
Economic Diary	17	Money Markets	21	Unit Trusts	22, 23	Arbuthnot Sec.	6
Entertain. Guide	14	Motoring	11	Your Savings/Inv.	7, 8	Perpetual Fund	7
European Options	22	Overseas News	2	Weather	28	Mercury Fund	7
Finance and Family	26	Property	10	What's in Markets	5	Touche Bannant	8
FT Acquisitions	25, 27	Share Information	25, 27	Base Rates	19	Nill Samuel	8
Foreign Exchanges	21	Sport	15	Building Soc Rates	12	Britannia Unltd	28

For latest Share Index page 01-246 8026

Hawke reverses plan to welcome foreign banks

BY MICHAEL THOMPSON-NOEL IN SYDNEY

THE AUSTRALIAN Prime Minister, Mr Bob Hawke, confirmed yesterday that the new Labor Government was not at present contemplating the readmission of foreign banks into Australia.

This reverses the decision of the former Liberal-National Party Government to welcome in about 10 foreign banks. A deadline for applications had been set at May 31.

Labor is not interested in de-regulating the country's financial system, and believes that allowing in foreign banks would help reduce Government control over interest rates, as well as monetary and exchange rate policy.

Mr Paul Keating, Labor's Treasurer, has said foreign banks would pick and choose the services they were prepared to offer, and would not be interested in retail banking, small businesses, farm finance, or housing.

Only two foreign banks, Bank of New Zealand and Banque Nationale de Paris, have full banking licences, though others are widely involved in merchant banking and finance and investment services.

Entry of foreign banks was favoured by Australia's four domestic trading banks, who saw it as a prelude to de-regulation of the financial system.

However, Mr Keating claimed recently that foreign bank entry was unwise at present, given the "general instability" of the international banking system.

Meanwhile, it was revealed that estimates of an A\$9.6bn (£56bn) budget deficit for 1983-84 were realistic, and had not



Mr Bob Hawke... Invitations ruled out

been inflated by departmental spending bids.

The disclosure—contained in Treasury papers released by Mr Hawke—has been taken as a direct refutation of claims made during the recent General Election campaign by Mr Malcolm Fraser, the former Prime Minister, and Mr John Howard, the Liberal Treasurer.

The Treasury documents, released yesterday, were prepared by Mr John Stone, Treasury Secretary, and highlight Australia's current economic plight.

During the election campaign, Mr Howard repeatedly warned that under Labor, the budget deficit would rise to over A\$10bn. The claim was based on the assertion that the underlying budget deficit for 1983-84 was a prospective A\$6bn.

Threat to British schools in Argentina

The Argentine Government yesterday announced that it had ordered extra police protection of British-owned and English-language schools, after threats of terrorist action. A local news agency received a telephone warning of an imminent campaign against British schools in Argentina which would force them to close by the end of the month. Jimmy Burns reports from Buenos Aires.

Gen Llamas Reston, the Interior Minister, yesterday played down press speculation that the big campaign against British interests in Argentina, just before the first anniversary of the Falklands invasion on April 2. He admitted that there were extreme nationalist individuals who "wanted to take an initiative."

Thai army loses vote
Thailand's army failed yesterday to overturn a parliamentary vote which had rejected moves to give the military a permanent role in running the country, Reuters reports from Bangkok.

U.S. producer prices
U.S. producer prices increased by only 0.1 per cent in February, after their record 1 per cent fall the previous month, the Labour Department said yesterday, writes Anatole Kaletsky in Washington. A 2.9 per cent reduction in energy prices offset raw material and food prices.

Swedish pay contract
Swedish public-sector labour and management signed a central wage contract for 1.5m employees yesterday, averting strikes by 1,900 employees that would have halted all flights from Sweden's main airports. The contract implies an average 1.4 per cent monthly pay rise.

Flight of capital
The flight of capital from Portugal is equal to \$750m (£500m)—a quarter of the 1982 balance of payments deficit, according to accusations by Socialist economists, Diana Smith reports from Lisbon.

Madrid talks gloom
Delegates at the stalled European security conference in Madrid said yesterday they were preparing for another recess next week without any clear prospects of ending the 23-month-old meeting in April, Reuters reports.

Polish writers' hope
Chances that Poland's suspended Writers Union will be reactivated improved yesterday when Mr Waldemar Swirgon, a Communist party secretary admitted that "both sides had made goodwill gestures and that concrete talks on the return of the union were under way," writes Christopher Bobinski in Warsaw.

El Salvador amnesty
A Government commission presented President Alvaro Magaña of El Salvador yesterday with a draft amnesty law giving Left-wing guerrillas who laid down their arms the choice of taking part in elections or leaving the country, Reuters reports from San Salvador.

work with the British and Irish Governments for re-unification of Ireland.

The resolution also seeks pressure on the two communities in Ulster and the Governments in London and Dublin to work peacefully towards this end.

Impetus for the move has come from a group of leading Irish-American politicians whose emergence as a pressure group resulted from concerted lobbying a few years ago by Irish diplomats and politicians closely associated with Dr Fitzgerald.

Whitehall gave no official reaction yesterday.

It is no accident that the U.S. move will boost the standing of the Social Democratic and Labour Party of Northern Ireland, whose leader Mr John Hume, was in the U.S. this week.

Close links with Irish-American politicians will encourage belief in Northern Ireland that he was in part responsible for the resolution.

Call for Reagan to press Thatcher on Irish unity

BY MARGARET VAN HATTEM

MOVES BY a group of influential U.S. Senators, led by Senator Edward Kennedy, to get President Reagan to press Britain to work for the re-unification of Ireland, may cloud the first meeting for many months between the Irish and British Prime Ministers.

Mrs Thatcher and Dr Garret FitzGerald are due to have a bilateral discussion at the European summit in Brussels on Monday or Tuesday.

It had been hoped that the meeting, the first since the rupture in Anglo-Irish relations during the Falklands campaign, would cement the improvement following Dr FitzGerald's return to power.

However, Mrs Thatcher is understood to be almost as unenthusiastic about the new Irish Government as she was about its predecessor led by Mr Charles Haughey.

The 28 senators who include prominent Republicans and Democrats have proposed a Senate resolution which would call on President Reagan to

work with the British and Irish Governments for re-unification of Ireland.

The resolution also seeks pressure on the two communities in Ulster and the Governments in London and Dublin to work peacefully towards this end.

Impetus for the move has come from a group of leading Irish-American politicians whose emergence as a pressure group resulted from concerted lobbying a few years ago by Irish diplomats and politicians closely associated with Dr Fitzgerald.

Whitehall gave no official reaction yesterday.

It is no accident that the U.S. move will boost the standing of the Social Democratic and Labour Party of Northern Ireland, whose leader Mr John Hume, was in the U.S. this week.

Close links with Irish-American politicians will encourage belief in Northern Ireland that he was in part responsible for the resolution.

The resolution also seeks pressure on the two communities in Ulster and the Governments in London and Dublin to work peacefully towards this end.

Impetus for the move has come from a group of leading Irish-American politicians whose emergence as a pressure group resulted from concerted lobbying a few years ago by Irish diplomats and politicians closely associated with Dr Fitzgerald.

Whitehall gave no official reaction yesterday.

It is no accident that the U.S. move will boost the standing of the Social Democratic and Labour Party of Northern Ireland, whose leader Mr John Hume, was in the U.S. this week.

Close links with Irish-American politicians will encourage belief in Northern Ireland that he was in part responsible for the resolution.

The resolution also seeks pressure on the two communities in Ulster and the Governments in London and Dublin to work peacefully towards this end.

Impetus for the move has come from a group of leading Irish-American politicians whose emergence as a pressure group resulted from concerted lobbying a few years ago by Irish diplomats and politicians closely associated with Dr Fitzgerald.

Whitehall gave no official reaction yesterday.

Britain repairs relations with Arabs

BY ROGER MATTHEWS, MIDDLE EAST EDITOR

THE British Government yesterday made a determined effort to repair its strained relations with key Arab countries.

Welcoming a seven-member Arab League delegation to London, Mrs Margaret Thatcher, the Prime Minister, stressed her Government's commitment to the search for a just Middle East peace which would include self-determination for the Palestinian people.

Members of the delegation, headed by King Hussein of Jordan, expressed their satisfaction with the outcome of the talks with the Prime Minister and Mr Francis Pym, the Foreign Secretary.

One delegate said he had been pleasantly surprised by Mrs Thatcher's "sympathetic

understanding of the Palestinian cause" and said that during the talks she had expressed "herself with 'great clarity'."

After initial statements by King Hussein and Mrs Thatcher, the British Prime Minister listened to a detailed exposition of the Palestinian case from Prof Walid al-Khalidi, a member of the Palestine National Council.

Officials said they could not recall a previous occasion when the Prime Minister had heard directly from a Palestinian the arguments for a state being formed on the occupied West Bank and Gaza.

The Arab League visit to London had been postponed several times because of Britain's refusal to accept an

official of the Palestine Liberation Organisation as part of the delegation. The subsequent row which developed forced Mr Pym to call off a visit to Saudi Arabia and the Gulf.

The two sides eventually compromised with the inclusion in the Arab delegation of Prof al-Khalidi who has no formal position with the PLO.

The Arab League's visit to London completed the tour of five world capitals aimed at explaining the significance of the Arab peace proposals agreed at last year's summit meeting in Morocco.

Delegates said after an official lunch at 10, Downing Street that the moderate Arab countries would now push for a wider agreement in support of King Hussein's "desire to ex-

plore much further the peace proposals put forward by President Reagan."

King Hussein is expected to meet Mr Yasir Arafat, chairman of the PLO, shortly to discuss the possibility of forming a joint delegation to negotiate Palestinian self-determination on the West Bank and Gaza.

The King and Mrs Thatcher met separately yesterday and there were also bilateral talks between Mr Pym and the Foreign Ministers of Saudi Arabia, Syria and Morocco.

British businessmen have been particularly concerned at the deterioration in relations with Saudi Arabia and had been warned in Riyadh that politics and commerce could not be separated.

Mexico asks banks for extension of moratorium

By Peter Montagnon, Euromarkets Correspondent

MEXICO HAS asked its creditor banks to extend until August 15 its present moratorium on repayments of principal to commercial banks in order to allow time to complete detailed formalities of its \$19.7bn rescheduling agreement.

The extension request was widely expected as the advisory committee of leading creditor banks has been awaiting a request for a \$3bn loan, the first \$1.7bn tranche of which is to be drawn next week.

Basic terms of the proposed rescheduling were agreed last December, however. These call for final repayment of debt maturing this year and next to be delayed until 1991 with a margin of 14 per cent over London Eurodollar rates or 11 per cent over U.S. prime.

What now has to be worked out is the rescheduled legal contract to be signed by Mexico and its 530 creditor banks. This has necessitated an extension of the moratorium which would otherwise have expired next Wednesday. During the moratorium, maturing debt will be extended automatically at a margin of 1 per cent over London Eurodollar rates or 1 per cent over prime rate.

Chile set for accord with IMF

By Peter Montagnon

CHILE WAS reported yesterday to have reached preliminary agreement with the International Monetary Fund on modifications to its economic stability programme in support of a \$1.95bn loan package totalling \$573m (£383m).

The modifications became necessary after Chile had failed to meet certain key targets in the programme, particularly those concerning the level of its foreign exchange reserves which fell more than \$800m to \$1.95bn in January.

The IMF had prescribed a decline of less than \$500m in the reserves for the full year 1983. Chile is now also over its original target for this year's budget deficit and money supply expansion.

Reports yesterday from Santiago quoted Sr Manuel Martin, Chile's Economy Minister, as saying preliminary agreement on the modifications had been reached with the fund, but Sr Martin did not detail these.

The news will come as a welcome relief to the country's creditor banks, who have been negotiating a rescheduling and new loan package with Chile amounting to some \$3.7bn.

Talks on this package scheduled for yesterday in New York were postponed until early next week because of the presence of an IMF mission in Santiago.

Sr Carlos Caceres, Chile's Finance Minister, was also expected late last night to announce new measures covering domestic liquidity to the country's hard-pressed economy.

Ciskei detentions

Six senior officials of the South African Allied Workers Union, a radical black trade union, have been detained by security police in Ciskei, one of South Africa's four "independent" tribal homelands, Bernard Simon reports from Johannesburg.

Israel bid to ease tension with peace force

BY OUR FOREIGN STAFF

ISRAELI APPEARS to be making a determined effort to reduce the tension which has developed in Lebanon between its troops and U.S. marines who are part of the international peace-keeping force.

Mr Moshe Arens, the new Israeli Defence Minister, visited U.S. officials in Beirut on Thursday. He urged them to avoid any repetition of previous incidents which have caused some strain in relations with the U.S.

Gen Robert Barrow, the U.S. Marines commander, wrote in a letter to Mr Caspar Weinberger,

the U.S. Defence Secretary, that Israeli troops had on several occasions "deliberately endangered the lives of U.S. servicemen."

The text of the letter, released on Thursday, claimed that the incidents were "timed, orchestrated and executed for political purposes."

The State Department in Washington said that the matter had been taken up with the Israeli authorities at the highest level.

An Israeli official said yesterday that Israeli troops were

fully satisfied with the liaison arrangements with the French, Italian and British components of the multi-national force, but considered that links "were far from sufficient" with the U.S. Marines.

The French force in Beirut again came under attack yesterday when a lone assailant threw a grenade at a checkpoint in the south of the capital. No one was hurt in the attack.

At least 15 members of the peace-keeping force have been hurt in recent incidents. So far only the British contingent has escaped the attention of what a French diplomat said in Beirut

yesterday was a concerted attempt to undermine the multi-national force.

John Phillips adds from Rome: Italy's Defence Minister, Sig. Leoluca Orlando, yesterday discounted rising fears that Italian soldiers may be inadequately prepared for their assignment in Beirut. Sig. Larorio told the Cabinet that the crack Bersaglieri troops had made a "decisive contribution" to peace-keeping operations there. He gave a detailed account of training undergone by the Italian soldiers and said they were adequately armed and highly skilled.

Progress in U.S.-EEC farm trade talks

BY NANCY DUNNE IN WASHINGTON

HIGH LEVEL U.S. and EEC officials, meeting in seclusion near Washington, are reported to be making progress in their talks to resolve the dispute over agricultural export subsidies, which threatens to erupt into a trade war.

They completed the talks yesterday and agreed to further meetings at the working-group level, U.S. Administration officials said. No details of the lengthy negotiations will be revealed.

The negotiators are hoping to reach final agreement on a

factual report to analyse current market shares in world farm trade. The two sides hold widely different views.

The strength of the dollar is a stronger cause than European subsidies for the decline of U.S. farm exports, the EEC contend. It says that—in the case of wheat and wheat flour, one of the main points of dispute—the community's share of the world market increased by only 3.4 per cent between 1968-1971 and 1972-82, while the U.S. share expanded by 11.9 per cent.

The commissioners insist that, in the case of chickens, the community's share of the market fell from just less than 55 per cent in 1975-77 to 43.2 per cent in 1982. The U.S. share fell in the meantime from 38.5 to 24.9 per cent—not because of the EEC but because of Brazil's subsidised exports.

The U.S. worries about its declining share of the world wheat market, saying that the EEC and Brazil have already used subsidies to chase U.S. poultry and egg producers out of the Middle East.

Excusing its own subsidised sale of 1m tonnes of wheat flour to Egypt in January, the U.S. says that, in the early 1960s, U.S. millers held 70 to 100 per cent of the Egyptian flour market, while the EEC share was between 0 and 17 per cent.

By 1982, the U.S. and EEC shares had changed to about 29 and 70 per cent respectively.

European officials have repeatedly rejected U.S. requests for a gradual phasing out of export subsidies.

U.S. concerns invest less abroad

By Paul Taylor in New York

U.S. MANUFACTURING companies continued to scale down their foreign investments last year. This reflected sluggish economic growth in the U.S. domestic economy and overseas.

Foreign investment projects announced by U.S. manufacturers fell by 21 per cent to 193 last year, following a 7 per cent decline in 1981, according to figures from the Independent Conference Board.

The decline in new investment overseas by U.S. companies was in step with the decline in foreign investment in the U.S. Last year, foreign companies announced 271 new manufacturing investments in the U.S.—down from 348 in 1981 and 388 in 1980.

The Conference Board survey, which covers only investments of 50 per cent stakes or bigger, shows that almost 51 per cent of the new U.S. investments overseas last year were in Europe, the UK projects in Europe, the UK received 28, France 19 and West Germany 17.

Washington hopes oil fall will cut Soviet gas sales

BY PAUL BETTS IN PARIS

THE U.S. Government is hoping that the current turmoil and price declines in the international oil markets will put pressure on its western allies to reconsider their policies towards Soviet trade especially in the field of oil and gas technology.

This emerged during a two-day meeting of CoCom, a usually top secret Nato organisation concerned with strategic trade with Communist countries.

The two-day meeting involved delegations from member governments and was called to launch the long-awaited study on the strategic aspects of western transfers of technologies to the Soviet bloc.

This is one of the key studies which the U.S. and its allies agreed to carry out as part of the compromise which led to the Reagan administration's decision to revoke its trade sanctions against Moscow.

Diplomats suggested that the U.S. intends to adopt a hard approach to transfers of new technology to the Soviet Union,

on the argument that OHTs (other high technologies) contribute directly and indirectly to Soviet military capability.

This study, plus others by other agencies, is likely to be used by the Reagan administration as the basis for draft recommendations on Soviet technology transfers.

There is a good deal of political and diplomatic posturing by the U.S. and its allies, but the sentiment in Paris is that chances of another clash on Soviet trade policy between Washington and the others are growing.

Although the U.S. is now resigned to the European commitment to the Soviet pipeline, which will bring Siberian gas to Western Europe, it appears to feel that the enthusiasm of its European allies for Soviet gas may be declining because of the collapse of oil prices.

But Gorbachev, the French gas utility, denied yesterday that it was becoming nervous over its contract for additional Siberian supplies.

No consensus on missiles at Nato group

By John Wyles in Brussels

THE U.S. and its European allies failed yesterday to reach a consensus on whether U.S. negotiators should table new proposals at the Geneva nuclear missiles talks.

Officials from several European governments at the Nato Special Consultative Group meeting argued for putting the proposal to the Soviet Union before the talks on reducing intermediate range nuclear missiles recess on March 23.

However, they acknowledged that the Reagan Administration is divided on the issue.

Mr Richard Burt, the U.S. Assistant Secretary of State for European Affairs, would not comment on reports that Mr Reagan will decide in the next week or so on whether to approve a new Geneva proposal.

Referring, however, to a Pravda article which appeared to reject in advance any new U.S. initiative, Mr Burt said that this "reflects on Soviet sincerity and good faith in their negotiating position."

How the copper bottom fell out of Zambia

BY MICHAEL HOLMAN, RECENTLY IN LUSAKA

A FEW hundreds yards from State House, Lusaka, lie the overgrown ruins of an unmarked monument to Zambia's largest days. It was the home of Joshua Nkomo, now the Zimbabwe opposition leader again in exile, which was devastated in April 1979 in one of a series of Rhodesian commando raids.

The war in what was to become Zimbabwe split over into neighbouring Zambia, the base for Mr Nkomo's guerrilla army, disrupting its economy, and leading to regular attacks by road and rail.

When President Kenneth Kaunda arrives in London next week on a state visit—he is only the seventh African head of state to be so honoured since 1960—the presence in Britain of his old ally Mr Nkomo, once more in effective exile from Zimbabwe, will be an uncomfortable reminder of the continuing troubles of southern Africa, and how easily they can engulf his own country.

Dr Kaunda will be honoured in London for his part in the transition from Rhodesia to Zimbabwe. He presided over the Commonwealth Conference which drew up the formula for the subsequent Lancaster House settlement. But his trip cannot fail to underline how that settlement has failed to put

his own country back on the path of economic prosperity.

Zambia today is facing its most desperate economic plight since independence in 1964, in spite of the end of the war. It is a direct result of a steady decline which goes back to the mid-1970s slump in the price of copper, but equally reflects serious shortcomings in its domestic policies.

Revenue from copper and cobalt, which accounted for 55 per cent of government income in 1974, has provided little or nothing since then. In mid-1982, the copper price fell to \$894 per tonne, the lowest in real terms for 40 years. Last year, production increased by 9 per cent compared to 1981, but earnings actually fell by 3 per cent.

The net effect has been devastating, whether measured in the deterioration of school facilities and health services, or in the wasting of the industrial sector starved of foreign exchange.

A series of annual balance of

payments deficits have been financed by what is in effect an enforced loan. Arrears in payments to suppliers, and delays in remittance of profits and dividends, now stand at more than Kwacha 700m (£397m), while total exports in 1982 were only Kwacha 971m.

This backlog forced Zambia to suspend payment of principal on its external debts in

January. The announcement was coupled with a 20 per cent devaluation of the kwacha—a precondition to an SDR 211.5m (£182m) standby facility from the International Monetary Fund.

The recovery package will be explained to bankers and businessmen by President Kaunda in a round of talks at the end of his state visit. But a formidable amount of ground has to be made up before the impact is felt.

Wage employment, for example, has been stagnant or falling for five years, creating a huge pool of unemployed who flock to the towns. Fortunately,

Zambia has no shortage of good quality farm land. But the Government's efforts to turn agriculture into a foreign exchange earning alternative to minerals has met with little success. A series of government initiatives to boost production, ranging from state farms to tractor hire pools, have a sorry record of failure.

One key reason is the lack of skills in a sector which requires a high level of supervision. Yet the country's university still produces more low graduates than agricultural scientists or mining engineers.

The same shortage of skills has its impact on the whole area of government planning and policy-making—but there it is aggravated by the peculiarities of Zambian politics. For political survival depends on frequent juggling of government offices between the country's different interest groups and tribes. The result may be stability, but at a high price.

Wee employment, for example, has been stagnant or falling for five years, creating a huge pool of unemployed who flock to the towns. Fortunately,

is that Zambia may fail to keep to the terms of the IMF facility which is intended to underpin the economy. Such terms are never easy, particularly in an election year such as this, with polling due around October.

Zambia is not without dissenting voices. The abortive coup plot in 1981 was a hand-drawn affair, but some prominent Zambians were involved, including a leading lawyer and a former central bank governor.

Nor is it certain that the uneasy truce between trade unions and the Government, following a period of detentions and strikes in the copper mines, can hold should the economy deteriorate further.

President Kaunda is the sole candidate in the coming presidential elections. The depth of feeling about his political and economic management will therefore only be revealed by the level of turnout of voters, and the number of electoral MPs re-elected to Parliament.

But he can at least point to the plight of Zambia's neighbours to tell his countrymen that things could have been very much worse.

FINANCIAL TIMES published daily except Sundays and holidays. U.S. subscription rates \$24.00 per annum. Second class postage paid at New York, N.Y., and at additional mailing offices.

To start with, you could sip your way through a variety of tempting cocktails, shaken or stirred at our tropical poolside bar.

Then on into Diamond Lil's, our authentic 150 year old wild west saloon.

Where dancers, singers and comedians entertain in our twice nightly show. And where you can try one of our famous charcoal grills.

Or, in contrast, you could dine in the tranquility and stylish atmosphere of our French restaurant. In fact, The Colony Room boasts a reputation for excellent cuisine, friendly service and an extensive wine list.

(All of which, incidentally, you can enjoy even if you are not staying at the Skyline).

So, it's hardly surprising you'll be reluctant to turn in for the night.

But, of course, when you do, you'll find we've put the same effort into providing your room with every comfort.

At our hotel, it's the last thing you'll want to do. Sheraton Skyline®

Bed, yes. Bored, never.

BATH ROAD, HAYES, MIDDLESEX. TEL. 01-892-2537

01-892-2537

'Significant progress' in steel rationalisation talks

By Nick Garnett, Northern Correspondent

TALKS between the British Steel Corporation and private-sector companies to rationalise and consolidate the UK's remaining engineering steel capacity, appear to have made significant progress. Details about the future ownership structure of a new enterprise are under discussion.

Mr Ian MacGregor, chairman of BSC, whose appointment to the National Coal Board is expected to be announced shortly, said in Sheffield yesterday that he thought the so-called Phoenix, a negotiations should crystallise between April and June.

Mr Trevor Holdsworth, chairman of GKN, whose Brynbo steelworks in North Wales is one of the plants involved in the consolidation talks, said earlier this week that the talks on overcapacity in engineering steel were "at a very advanced stage, and we are sure we will find an answer."

Apart from Brynbo and BSC's engineering steel operation in the Sheffield-Rotherham area, Hadfield's, the Sheffield Loughborough subsidiary, is involved in the talks, which are expected to produce a new company mainly owned by the private sector.

The future of the Brynbo works, in particular is thought by some union officials to be in doubt.

Mr MacGregor, invited by Sheffield City Council to speak to South Yorkshire Council and union leaders about their anxiety over the steel industry's future in the county was asked yesterday whether he thought closer policy co-ordination between the coal and steel industries would be beneficial.

He said he was not sure what advantage would be gained by that. The result in those countries which adopted such policy co-operation had been rather worse than in Britain.

On his expected appointment to the chairmanship of the NCB, Mr MacGregor made one aside: "There's just a chance I may have to go through one of those job retraining programmes."

BSC has shed about 8,000 jobs in the Sheffield area in the past three years. Its programme of 17,000 job losses in BSC Special Steels in the area has recently begun with the loss of 50 jobs at Thrybergh, near Rotherham; 80, to be followed by a further 100, at Tinsley Park; and some job reductions at Aldwarke.

Most of the job losses are related to a general reduction of shifts from 15 to 10 a week in special steels, though BSC is taking out a furnace at Stocksbridge, north-west of Sheffield.

Mr MacGregor said he could not guarantee that further significant redundancies would not be announced in South Yorkshire. That was in the hands of steel consumers, and particularly of industry.

The international market was still very difficult, the U.S. market partly closed off and "price structures for export business are so poor that they don't begin to cover our costs."

BSC had been trying to "figure out how it could establish a business with a future" in the face of a declining consumer industry. It sought a future for those parts of BSC which had market opportunities.

"I look to the future with infinitely more confidence than when I came to this country in early 1980," he said.

Mr David Blunkett, leader of Sheffield City Council, told Mr MacGregor that council and union leaders were concerned that in contrast to UK cuts in special steels, Austria and Italy in particular had been building up their capacity.

"We need user industries to take the products of the steel industry," he said.

'BT should buy most equipment overseas'

By Jason Crisp

BRITISH TELECOM's director of research has warned that if BT becomes a private company he believes it should buy most of its equipment from abroad.

Mr Charles May, who heads BT's large research establishment at Martlesham, said: "I have spent my whole life developing equipment with British industry. My opinion of British industry is extremely low and I, given the choice, would spend a great deal more of my money in Japan and Sweden and Germany. I don't necessarily think that is a good thing but something that a plc would be bound to do."

Mr May's remarks were made earlier this month at a public meeting in Ipswich. He emphasised yesterday that the comments were made purely in a private capacity—a point he also made at the time.

Mr May's comments are still particularly embarrassing to BT and to the Government. BT is rapidly changing its relationships with its major suppliers such as Plessey, GEC, Standard Telephones and Cables and TMC as a result of the liberalisation of UK telecommunications.

If the Conservatives are re-elected they intend to sell 51 per cent of BT to the private sector. BT's procurement policy after privatisation is still a very sensitive issue because of the possible threat to many jobs in the UK's telecommunications industry.

Last night BT strongly denied Mr May's views represented official policy.

John Whyte, engineering chief and managing director of major systems said: "Mr May spoke as a private citizen and not as a BT official. The views he expressed do not represent the views of British Telecom. He said he suspected 'British Telecom plc would buy most of its equipment from abroad.' I do not share this view, and is certainly not BT policy."

"Of course a plc would be responsible to its shareholders for securing good value for money. Various measures that BT has taken during the last 18 months will assist British industry to be more cost-effective and to compete internationally."

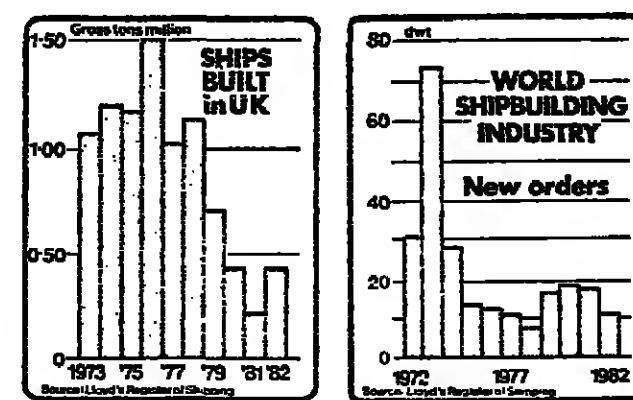
Tens of thousands of BT employees will take part in lunch-hour demonstrations outside the company's national and regional headquarters around the country on Monday.

It will be the biggest demonstration of opposition to the privatisation of BT since last year's Day of Action. The unions will be calling on BT's board to "come clean" and state publicly where they stand on the Government's Telecommunications Bill, now going through Parliament.

The six unions—which represent BT's 250,000 employees and are formally linked through the British Telecom Union's Committee—are totally opposed to privatisation.

Battle for a stay-afloat package

Andrew Fisher on the harsh facts facing British Shipbuilders



"THE ORDEAL is not yet over," said Sir Robert Atkinson, British Shipbuilders chairman, after the Queen Mother had named the Pacific Patriot bulk-carrier on the Clyde for Hong Kong's C.Y. Tung Group.

Those words were spoken early in February.

Just how true they were shipbuilding unions learned yesterday with the news that as many as 9,000 more jobs could disappear this year. Jobs at the Clyde-side yard of Scott Lithgow are especially at risk.

After a short-lived upturn from 1979 world shipbuilding has undergone a huge decline in recent months as the length of the shipping recession and over-capacity has caused companies to hold back from new orders.

The result has been a fierce battle to win what little business has been around. The Japanese and South Koreans, with much larger yards and workforces and vastly superior productivity, have been to the fore in cutting prices to win enough orders for survival.

For British Shipbuilders, which has already shed 23,000 jobs since nationalisation in 1977, the consequences have been dire. Mr Graham Day, who takes over as chairman in September after returning from Canada, will have an awesome task in keeping the corporation afloat.

Since nationalisation British Shipbuilders has made much progress in trimming costs and cutting losses. Last year, to March 31 1982, the trading loss was just under £20m, well inside the £25m loss limit set by the Government and less than a fifth of the deficit two years previously.

This year, however, has been horrendous. The first-half loss to the end of September was four times higher at £82m. The full 1982-83 losses will fall between £10m and £70m. The actual £10m loss limit has been left far behind.

This was the picture Sir Robert painted to a shocked audience of union representatives at yesterday's meeting in Newcastle. Basically, he told them: Agree to a pay freeze or else watch the UK industry collapse irretrievably.

Their reaction was muted.

They have asked for more information, however, especially on how and where the further job-cuts, in addition to the more than 2,000 going through already, will fall.

All this will be spelled out on March 31 at another meeting in Newcastle, where British Shipbuilders has its headquarters. What Sir Robert wants is union agreement, with the pay-freeze a key part of this, for him to tackle the Government on an emergency package of measures to keep job-losses as low as possible.

Unions have become used to being told how grim the situation is. Sir Robert nonetheless hammered home the message yesterday, telling delegates their wage claim "is simply not on." He said that because of the industry's crisis, "we are obliged to talk about survival."

All this makes the question of the privatisation to which the Government is committed appear academic in the present slump. The main problem, however, is on the merchant side. The warship yards, with about £1.7bn of business, have always been profitable.

While Sir Robert does not agree with splitting up British Shipbuilders selling off the profitable parts, the Government feels a separate sale of naval yards like Vickers, Vosper Thornycroft or Yarrows could

be successful. In ship-repair severe action is being taken to curb losses but more may be necessary.

As for the merchant yards, their finances are in disarray anyway. British Shipbuilders managed to pull in only £300m of new merchant-ship business last year against nearly £400m in 1981. The order backlog at the end of last year was down to £662m, from £728m the year before.

Sir Robert, who says Britain still has too many men building too few ships, is incensed about the low Far East prices. He reckons they are dumping prices, a view not necessarily shared by the Government, which has a major dilemma on its hands with British Shipbuilders.

The package he will put to the Government, assuming the unions do not suddenly abandon their dislike for confrontation, will include special credit arrangements for domestic owners, special use of the Intervention Fund which balances UK costs with Far Eastern prices, and faster ordering of ships for naval-auxiliary or coastal-patrol purposes.

Sir Robert has not put a value on such a package but it would clearly need to be large. Funds to put yards on mothballs by keeping workers on until business flows in again

would also be requested, along with special use of the EEC social fund.

He said before yesterday's meeting: "Unless the Government is prepared to talk of special help they might as well let the business run down. We have an overwhelming case."

Sir Robert, 67, also wants better severance terms for those who do have to take redundancy. "We can't guarantee jobs in a world collapse but we can have more security with longer notice and better terms."

With losses mounting, due to payment and productivity problems on past orders rather than the latest drop in the order book, British Shipbuilders' management feels a pay freeze is the best way to try and conserve cash at the moment.

Each 1 per cent of wages adds about £4m to BSC's costs, says Sir Robert. Last year's settlement was 5.8 per cent. Along with the pay freeze BSC is pushing hard for increased productivity. It is spending £30m to £40m on computers for design and manufacture to close the massive gap with the Far East.

This gap is put by BS at as much as 35 per cent. Because about 80 per cent of ship prices represent bought-in materials and subcontracting work, about 20 per cent of the price difference is outside its control.

One yard with particularly productivity problems is Scott Lithgow, BS's lead yard on the offshore side. The Scottish yard is likely to lose about 2,000 jobs of the present 3,500 by the summer.

BS made clear in Newcastle yesterday that the yard, which employed 9,000 in the early 1970s, was at risk. Apart from lack of new business a major problem has been adjustment to offshore work. The yard has a strong naval-building tradition but has been left out of recent defence orders.

The Newcastle audience, told that up to 8,000 jobs were at risk, reacted sharply to the size of the salary of the new chairman, Mr Day—£50,000 with a hefty bonus. Sir Robert earns £52,000. Union leaders said their members had not taken this lightly at the same time as being asked to have their wages frozen.

BR chief attacks state industry critics

By Hazel Duffy, Transport Correspondent

AN ATTACK on the "constant criticism of state industry management" was made last night by Mr Bob Reid, British Rail chief executive, and president of the Chartered Institute of Transport.

In a speech to the institute's annual dinner, Mr Reid said: "I believe it is not the quality of its management that often makes a state industry thought poor value for money, but the whole environment in which it is constrained to work."

He pointed to the success of the National Freight Consortium since denationalisation last year as "living proof" that the same management team in a nationalised company can perform successfully in the private sector.

He emphasised that the business organisation in BR since the introduction of five separate business sectors is similar to that in most complex industries whose various divisions share the same resources.

At BR, "the introduction of private sector criteria for responsibility and accountability is taking place at a faster rate than people can write reports on us."

"But no matter the efforts we make in organisation changes, we shall not get effective results unless we have clear objectives against which our management of the taxpayers' money can be judged."

Lloyd's job-offers threaten to spark row

By John Moore, City Correspondent

MEMBERS of the ruling council of the Lloyd's insurance market representing the 18,000 members of Lloyd's who do not work in the market have been approached with offers of jobs within the Lloyd's community to spark a major constitutional row in the market, it is to be discussed at a regular meeting of the council on Monday.

One member of the council, elected to it by the external membership of Lloyd's—the 16,000 members of the market who pledge the entire of their wealth to underwrite Lloyd's to function—has understood to have accepted a consultancy position with a Lloyd's underwriting agency.

Three others of the eight representatives of the external membership are considering offers from member-firms of the market.

A Monday's council meeting the implications of the external members' of the 28-strong council taking up appointments with brokers and underwriters is to be considered.

Under the new constitution, implemented in January through legislation designed to improve the regulatory machinery of Lloyd's, the market is governed by a ruling council. This consists of 16 working brokers and underwriters, eight external and three independent members, the latter three having no connection with Lloyd's at all, their appointment approved by the Governor of the Bank of England.

In the changeover of the Lloyd's system of government the election procedure for choosing the ruling authorities was changed.

Instead of being able to cast a free vote for the government of Lloyd's, members had to vote only for those members who represented their interests in the working underwriters and brokers could vote only for working brokers and underwriters, and the external membership vote only for their representatives.

The two categories of membership could not vote other than for representatives drawn from their ranks.

In the new controversy, representing the external membership on the council will say to obtain a better understanding of how the market works, it is necessary to have a closer association with the community in the form of consultancies.

But already the Association of Members of Lloyd's, which is seeking to represent the interests of all members of the market, is worried that the external members, having sacrificed part of their voting rights in the change of constitution, are becoming represented by people on the council who may cease to represent their interests, by forming a close business connection with working members of the community.

Sturla Group share dealings suspended

By David Dodwell

DEALINGS IN shares in the Sturla Group were suspended yesterday at the board's request ahead of announcements on long overdue figures, boardroom charges, and a loan linked with property development in Spain.

The board was in meetings throughout yesterday and was unprepared to make any further comment "until next week."

Mr Robert Knight, Sturla's chairman, was arrested almost two weeks ago in connection with a City Fraud Squad investigation into forged Eurobonds. He has been charged with conspiring to defraud financial institutions.

Mr Knight has been provided bail on two sureties of £20,000 each on the condition that he does not enter Sturla Group's premises in South Audley Street in Mayfair.

Sturla is a business finance group which celebrated its centenary in 1979. In January this year it announced that

profits for the 15 months to end-April 1982 were £764,000, with a turnover of £529m.

Full posting of these accounts will continue to be delayed until questions raised by the auditors Stoy Hayward are answered.

The board also promised "a clarification as to change of board membership and control." It is understood that Mr Knight has resisted pressure to resign as chairman since charges were brought. Over the past year three of the board's original five members have resigned.

The board also said it planned to make an announcement "with regard to a loan to a UK company which has been invested in a Spanish property development."

The board expanded no further, but an officer of the City Fraud Squad said that this was "a matter which we are making inquiries into at the present time."

The Fraud Squad is investigating three separate conspiracies connected with the recent seizure of over £14m (£9m) worth of forged J. C. Penney Eurobonds.

Mr Knight is charged in connection with one of these conspiracies, with Mr Richard Lee Carson-Selman named as co-conspirator.

Six people have been charged with conspiracy to defraud National Westminster Bank in Streatham by inducing the manager to grant loan finance against collateral of counterfeit bonds. A further three people have been charged with conspiracy to defraud investors in Victoria Life Assurance.

Lower finance target for electricity supply

THE GOVERNMENT has set a lower financial target for the state-owned electricity supply industry in England and Wales. In the three financial years from April 1 the industry will be expected to make a return of 1.4 per cent on average total net assets.

This compares with a target, which the industry met, of 1.8 per cent in the three years to this March 31.

Mr Nigel Lawson, Energy Secretary, said the reduced target was fully consistent with the standards in electricity prices announced by the Government in November. Prices are being maintained at the present average level throughout the 1983-84 financial year.

BUSINESSES WANTED. APPLY WITHIN.

If you are thinking of setting up, expanding or re-locating your business, you should first get in touch with British Steel Corporation (Industry) Ltd.

We offer a unique choice of 15 locations within the following regions of Britain: West Central Scotland, The North East, West Cumbria, South Humber-side, North & South Wales and the East Midlands.

Combine that with this unbeatable package of industrial incentives and you're almost there.

1. A new factory which can be rent or lease free initially.
2. Heavily subsidised water and electricity.
3. Consultancy study of your project.
4. Substantial Government Grants.
5. Loans at reduced rates.
6. Flexible services and support from BSC Industry.
7. Free specialist team to make your project happen.

All you've got to do is prove to us that your project will create new jobs (no matter what size of company) and we'll back you and make it happen.

To start the ball rolling, call our Action Desk now on 01-686 0366, Ext. 300 (or 01-686 231 outside office hours). Or post the coupon.

Name: _____
Position: _____
Company: _____
Address: _____
Tel No: _____
I would like the above and more. Send me the details.

BSC Industry NLA Tower,
12 Addiscombe Road, Croydon
CR9 3JL

Government criticised on energy conservation

By a Special Correspondent

THE GOVERNMENT has rejected the idea of investment in cost-effective energy conservation, it was claimed at the Sizewell B inquiry yesterday by the Council for the Protection of Rural England.

Mr John Taylor, QC, for the council, said that evidence from the Department of Energy to the inquiry suggested there was no room for conservation as a substitute for the provision of new energy supply resources.

He said the so far unpublished Rayner report on the Government's handling of energy conservation had recommended the setting up of an energy efficiency office within the Department of Energy.

The Armatage Norton report into energy conservation in industry, also commissioned by the Government, had concluded that many companies were not exploiting the potential for short and long-term investment in conservation measures.

But if the Government endorsed the policy it was presenting at the inquiry no action would be taken, suggested Mr Taylor.

Mr Robert Priddle, a senior official at the department and head of its policy division, said the Government had not yet responded to the reports and he was not in a position to forecast what the response would be.

Mr Priddle said that the Government had not yet decided whether the estimates for cost effectiveness of investment in conservation as outlined by Armatage Norton, was "right or wrong."

Southampton port traffic rose by 70% last year

By Lynton McLain

TRAFFIC AT Southampton, the biggest loss-maker in the Associated British Ports group in 1981, rose by over 70 per cent last year with the ending of nine months of strikes and disruption in January 1982.

The port, the largest in the group, handled 5.2m tonnes of cargo last year, compared with 3m in 1981. Exports doubled to 2.1m tonnes and imports rose by 30 per cent to 3m.

The improvement in the volume of cargo handled at Southampton was overshadowed in the prospectus for the sale of shares in the former wholly state-owned group last month. Southampton lost £10.4m in 1981, compared with a £3.37m operating profit in the previous year.

The prospectus forecast that the port would break even on its operating performance last year. The port confirmed yesterday that the result would be "around the break-even point" for the year.

Southampton lost business in the face of the disruption in 1981, but only ABC Container Line withdrew its custom permanently. In December, Hapag-Lloyd, the West German line, announced a new container link between Southampton and North America. The service started in January and has taken up some of the capacity



The Investment Implications

Britannia Group of Investment Companies Limited has produced a special commentary giving its views on the investment implications of the Budget.

This commentary clearly shows private investors how the changes announced in the Budget could affect their current investment strategy; and of the best way to take advantage of any new opportunities.

To obtain a copy of the Budget commentary together with Britannia's current recommended portfolio strategy, please either complete the coupon below or telephone Richard Bagge on 01-588 2777.

Britannia Group of Investment Companies Limited manages £1,000 million on behalf of over 300,000 investors worldwide.



To: Richard Bagge, Britannia Group of Investment Companies Ltd, Salisbury House, 31 Finsbury Circus, London EC2M 5QL. 01-588 2777.

Please send me the Britannia Budget Commentary and current recommended Portfolio Strategy.

Name: _____
Address: _____

UK NEWS

Varley pledges Labour to statutory minimum wage

BY KEVIN BROWN

A STATUTORY minimum wage will probably be introduced by the next Labour Government, Mr Eric Varley, Shadow Employment Secretary, told the Commons yesterday.

Mr Varley backed a call by Mr Arthur Bottomley, veteran Labour MP for Middlesbrough, for the Government to fight poverty through a national minimum wage.

But the demand was rejected by Mr John Wakeham, Treasury Minister of State, who said it would add to rigidities in the labour market and force up industrial costs.

Mr Varley said low pay, defined as less than two-thirds of the average male manual wage, affected more than 6m people.

He accused Mr Norman Tebbit, the Employment Secretary, of wanting to abolish wages councils, which set pay rates in some low paid industries.

Mr Tebbit's intervention in the Shop Workers' Council

award, which was reduced from 8 per cent to 6 per cent, was indefensible, despicable and squalid, he said.

"Our shop workers, as they take home their £58.25 a week, can thank our brave and fearless Secretary of State for not being allowed to wreck the country."

Mr Varley said the next Labour government would launch a crusade against low pay as part of its strategy of equality.

"As far as we are concerned an incoming Labour government will take representations very seriously with the view, if it is practicable, of introducing a statutory minimum wage."

Mr Wakeham said a national minimum "would become a benchmark about which all other wages would spread themselves, and with the existing differentials maintained higher wages would lead to higher inflation and to job losses. It is that cycle we have sought to

break."

A national minimum "would reduce the freedom of choice, if it is a choice, for some between a low paid job and no job at all."

The Government had tried to tackle the consequences of low pay and poverty through the social security system.

Mr Michael Allison, Employment Minister of State, said Mr Varley had been ambiguous about the prospect of negotiating a national minimum wage with the trade unions.

The experience in other countries had been that the minimum had to be set at between 40 per cent and 50 per cent of the average male manual earnings—about £55 in Britain—and at that level there was little point in bothering to legislate.

Very few poor people would benefit from a statutory minimum because most low paid workers were earning second incomes to supplement the main family wage earner.

ICI to raise PVC product prices in Europe by 14%

BY CARLA RAPOPORT

IMPERIAL CHEMICAL Industries will raise the prices of its full range of polyvinyl chloride (PVC) products throughout Europe by 14 per cent from April 1. It said, however, that the move was insufficient to return its PVC operations to profit.

PVC is used to make industrial and domestic products including pipes, flooring materials and home furnishings. Demand for these products has been heavily depressed in recent years, causing large losses for PVC makers.

ICI's price move is in response to a similar price rise by West German PVC producers. Its price in the UK will be about £120 a tonne. In Continental markets the price will be increased to DM 1.60 per kilogramme.

ICI said yesterday that PVC prices needed to climb to about DM 2.50 per kg before producers could break even on

operations.

ICI's production capacity for PVC in Europe is about 570,000 tonnes a year. This accounts for about 11 per cent of the overall European capacity. Depressed demand has meant most PVC plants in Europe have run at about 70 per cent of their total capacity.

ICI says it intends to move

its PVC prices ahead again in May, perhaps by about 10 per cent to 12 per cent. These moves may be undercut, however, by instances of discounting by large West German PVC producers.

Last month ICI said its petrochemicals and plastics division produced a trading loss of £139m on sales of £1.9bn.

Cyanide alert to farmers

POLICE alerted farmers yesterday after it was discovered that cyanide has leaked into the river network of Lancashire.

It was first thought that 200 gallons of cyanide had leaked from a tank at the Rolls Royce aero-engine factory at Barnoldswick, near Colne, Lancashire, into the Stocks Beck stream which flows along the factory's perimeter.

But water officials later thought that most of the chemical was trapped in the filtration bed, and less than 50 gallons had actually escaped.

Stocks Beck flows into the river Ribbles at Gishburn, and then passes through Sawley, Clitheroe, Ribchester and Preston before reaching the sea at St Anne's near Blackpool.

Emergency backup computer centre opens

By Lorne Barling

A CENTRE designed to provide emergency backup for vital computer operations started up this week. Three clients have already signed contracts totalling £700,000 for the centre in Preston, Lancs.

Called Failsafe IBM, it is a joint venture between BL Systems, a subsidiary of BL, and Atlantic Computer Leasing, one of Britain's largest IBM computer leasing organisations. It will also provide backup facilities for BL Systems' computer centre at Addicks, Worsley, which is vital to BL's highly automated production line at Longbridge, Cowley and other plants.

One of the first Failsafe customers is the Guardian Royal Exchange insurance company, which has its headquarters at nearby Lytham St Anne's.

GRE said this week: "With on-line terminals at all branches we could no longer risk the two or three weeks' delay that a cold restart entails."

Claims need to be processed very quickly, otherwise service to our policy holders runs down."

Fire is probably the biggest threat to any computer installation because of the substantial electrical power supplies involved, but flood and sabotage are also a danger.

Minister moves on art exports

MR PAUL CHANNON, Arts Minister, has accepted a Reviewing Committee on the Export of Works of Art recommendation to suspend export licences for a painting by Guercino, St Luke Painting the Virgin, a third-century bronze heaver and an Insipidus of Magna Carta by Edward I until July 18, June 18 and September 18 respectively.

The items are the subject of export licence applications to the Trade Department. The minister asked the department to withhold licences to give UK public collections the chance to buy.

The Reviewing Committee, at its meeting on Monday, said the items were of national importance under Waverley Committee criteria.

APPOINTMENTS

Finance man at Grandmet Catering

GRANDMET CATERING SERVICES has appointed a new finance director, and company secretary. He is Mr Martin Clayton, at present finance director and company secretary of Chloride Automotive Batteries. He joins Grandmet at the beginning of April and succeeds Mr Cliff Green, who retired recently.

Mr Geoffrey A. Ball, managing director of the CITY OF ABERDEEN LAND ASSOCIATION has been appointed a director of SCOTTISH MORTGAGE AND TRUST. Mr Roderick MacLeod is to resign from the board on March 31 having moved to London to become chairman-designate of Lloyd's Register of Shipping.

Mr Anthony Hollingsworth has joined the partnership of LAURENCE, PRUST AND CO, stockbrokers.

Mr Douglas M. Fergus has been elected president of the SCOTTISH BUILDING EMPLOYERS' FEDERATION. He is managing director of Lynde Homes.

Mr Gordon Sambrook has been appointed a vice-chairman of the IRON TRADERS EMPLOYERS' ASSOCIATION and its subsidiary company, Iron Trades Mutual Insurance Company.

Mr John L. Tomsett, for the past eight years operations and sales director of International Express, has been appointed to the newly-created post of chief executive of SHAKESPEARE UK makers and distributors of fishing tackle. Based in Redditch, it is the British branch of the Shakespeare Corp. of the U.S. Mr Tomsett retains his seat on the board of International Express.

Mr Roger M. Hutchins has been appointed a director of PIFCO.

At JAMES HALSTEAD GROUP the chairman, Mr Geoffrey Halstead, has been made for Mr A. B. Morrall to relinquish his post as chief executive. Mr Morrall will continue to act as non-executive director until June 30. Mr P. S. P. Knight, who has been group secretary for the past five years, has been appointed a director.

Y. J. LOVELL (HOLDINGS) has appointed Mr Martin Barlow as contracts director of Y. J. Lovell (Midland) from April 1. He succeeds Mr Mike Lacey who, in addition to his role as a director of Lovell Specialist Treatments, is to set up and lead a new department designed to develop medium-size contracts

LABOUR

John Lloyd analyses moves to strengthen constituency parties
Countering the union block vote

A NEW group is being formed within the Labour Party aimed at strengthening the hand of constituency parties against the dominance by trade unions of the party conference.

It is to counter the influence of the Trade Unions for Labour Victory (TULV). That organisation groups together most major unions to raise cash for the party and it is seen by many on the left as exerting a powerful, generally right-wing, influence.

Its move springs from a fringe meeting organised after the last Labour Party conference, when the unions' block votes defeated the constituency delegates on several issues, including the sensitive one of the expulsion of Militant from the party. The first organisational moves came last weekend, at a meeting of delegates from some 30 constituencies called by the Rushcliffe constituency party.

Late last year, Mr Alex

That meeting debated the present balance of voting power at the conference—now weighted 90-10 in favour of the unions—and discussed some possible alternatives, including one which would split power equally between unions and parties. A pre-conference meeting of constituency delegates is planned for October 2, and motions calling for alternative arrangements are expected.

The financial weight of the unions, which once matched or even surpassed their voting strength, has declined. They supply about 75 per cent of Labour's finances, with parties supplying about 19 per cent and the remainder coming from socialist societies and the co-operative movement. However, the TULV is organising a drive among affiliated unions to build up an election fund of £2m.

Mr Bann suggests that railway unions in dispute could offer to run the railways without pay if the management would agree not to charge fares.

Kitson, deputy general secretary of the Transport and General Workers' Union, suggested a realignment of voting strengths to reflect the new financial patterns, though no policy proposals have yet been made.

The increased strength of the parties, and the criticism of the TULV for being over-powerful, was given a boost earlier this week in a speech from Mr Tony Benn.

In his George Woodcock memorial lecture at Leicester University on Thursday evening, Mr Benn criticised the TULV, saying that it "acts as a broker between the elected national executive committee of the Labour Party and most of its affiliated unions, negotiating the level of affiliation fees to be paid from the political levy and providing Mr Benn said that "this new organisation is hardly known

and little understood by either the union membership or by the constituency parties, but it has tended to divide the industrial and political wings of the movement at a time when their unity is so necessary to both."

In an endorsement of the moves at constituency level, Mr Benn said: "If, as seems possible, the constituency parties decide to set up their own organisation in parallel, it will be necessary to bring both sides together at local, regional and national level."

Elsewhere in his wide-ranging speech, however, Mr Benn suggested "new forms of industrial action" which would leave strike action "only as 'an instrument of last resort'."

Mr Benn suggests that railway unions in dispute could offer to run the railways without pay if the management would agree not to charge fares.

Newspaper delivery threat

BY IVO DAWNEY, LABOUR STAFF

NEGOTIATORS for 1,100 newspaper distribution workers will today warn their employers of industrial action from Sunday night if they fail to give a firm commitment to increases in bonuses for handling late papers.

In the ultimatum to London wholesalers, the Society of Graphical and Allied Trades 82 has offered further talks on the issue tomorrow conditional on acceptance in principle of a phased equalisation of the bonuses with full overtime rates—rise of £1.18 an hour on present payments.

Leaders of the Sogat London Central branch said last night

that the most likely form of industrial action would be the resumption of systematic blocking of the distribution of one national newspaper a night.

Similar action was called off after four days last November, when the Federation of London Wholesale Newspaper Distributors agreed to pay a £50 goodwill bonus to each employee in return for an undertaking that no industrial action would be taken, until February 28.

The wholesalers had hoped that this breathing space would allow them to reach agreement on increased late paper bonuses—paid to compensate

staff for speedy working incurred by the late arrival of papers—with the Newspaper Publishers Association, which ultimately pays the late paper costs. The NPA has, however, insisted that the matter only concerns the wholesalers and their employees and that no additional money can be paid, when no overtime is worked.

Though the Sogat officials acknowledge that the wholesalers appear unable to persuade the NPA to make any contribution towards increasing late payment, they are determined that some progress in increasing the rate should be made.

Dockers' redundancies blocked

BY BRIAN GROOM, LABOUR STAFF

A NATIONAL scheme to persuade up to 1,000 registered dockers, to accept voluntary redundancy with payments of up to £22,500 has run into problems early because of the Transport and General Workers Union's refusal to co-operate with it.

The seven-week scheme opened last Monday but none of the 15,300 registered dockers—those in ports belonging to the national dock labour scheme, which handle three-quarters of seaborne trade—has yet been officially invited to apply.

Union representatives on local dock labour boards, where they are equal in number with employers, have blocked agreement on 325 redundancies at Liverpool, 109

at Bristol and 51 in West Scotland.

In London, where the situation is complicated by the five-day-old strike by 2,300 Tilbury dockers, numbers have not yet been discussed.

Employers are concerned at the extent of the TGWU's non-cooperation. They say, however, there is still time to resolve the problem and there are still procedures to be gone through.

The ultimate responsibility for authorising redundancies lies with the National Dock Labour Board, which is different in composition from local boards and has sometimes approved redundancies without local agreement.

Mr John Connolly, TGWU docks secretary, said: "Our

delegates feel there should be a planned approach to releasing men from the industry. At the moment all that seems to happen is that employers rush to shed their labour when they get the first sniff of money being available from the Government."

"Last year, for example, 2,700 men left the industry while it was recorded that the average daily surplus throughout the industry was only 2,100. This means 600 men went out of the industry above the surplus."

In Liverpool, port employers have begun issuing application forms unofficially, pending authorisation from the labour board. Some shop stewards say this is provocative.

No progress in civil service pay talks

THE GOVERNMENT avoided yet again making any pay offer to leaders of 330,000 white collar civil servants during 90 minutes of talks at the Treasury yesterday.

Union negotiators believe that ministers will decide next week on a compromise path between the Government's declared objectives of slowing market forces such as recruitment and retention to play a role and the unions' demand that the offer should favour the low paid.

Under the Council of Civil Service Unions' claim lower paid workers would receive flat rate increases of £12 weekly together with a £85 minimum weekly wage. More senior grades would accept "substantial rises."

Speculation has been growing however that some unions—notably those representing more senior grades—now favour abandoning the flat-rate rises in return for a reasonable offer.

In the light of this, the CSSU has roundly discounted claims that the 5 per cent award to local authority manual workers would be sufficient for the abandonment of the original claim.

Careful attention is being given to the teachers' pay negotiations where the unions have agreed to moderate their 15 per cent claim in return for a pledge from employers to improve a 3.5 per cent offer made last week.

Any improvement in the teachers' offer, also expected next week, is likely to be regarded by some civil servants as the going rate.

Judge bans picket directive

THE Association of Broadcast Staffs was ordered by a High Court judge yesterday to cancel a picket line directive to members which threatens to blackout Sunday's live broadcast of British film and television awards.

The British Academy of Film and Television Arts was granted an injunction against the union which has told television crews not to cross an "hotel workers' picket line" at the Grosvenor House Hotel in London where the awards are to be made by Princess Anne.

A last opportunity for 1982/83 tax relief under the Business Start-Up Scheme

The Harrogate International Hotel PLC

Issue of 1,750,000 Ordinary shares of £1 each at £1.50 per share payable in full on application.

The Company proposes to develop a new Hotel on a site adjacent to the Harrogate Conference centre.

Subject to the fulfilment of certain conditions, investors should be able to obtain full income tax relief on the cost of their investment as explained in the prospectus, copies of which are available from:

Triventure Limited,
16 Imperial Square,
Cheltenham,
Glos. GL50 1OZ.
Tel: 0242 584380.

Laurence, Prust & Co.,
Basilidon House,
7/11 Moorgate,
London EC2R 6AH.
Tel: 01-606 8811.

Albert E. Sharp & Co.,
Edmund House,
12 Newall Street,
Birmingham B3 3ER.
Tel: 021-236 5801.

Full details of the issue are set out in the prospectus. Applications will be accepted only upon the terms and conditions set out in the prospectus.

The closing date for the issue is 5th April 1983.

However, application forms and cheques should be lodged on or before 30th March 1983 to ensure that cheques can be cleared before 5th April.

Staffordshire Potteries (Holdings) plc



Interim Statement

	Six months ended 31 December (unaudited)	Year to 30.6.82
Turnover	1982 £900 8,537	1981 £800 8,408
Operating Profit (Loss)	221	178
Interest	393	472
(Loss) Before Tax	(172)	(294)

- Since September there has been a small improvement in the home market and new lines are being well received.
- The Royal Winton Division has enjoyed a successful half year. There are clear signs that the steps taken during the recession to restore the Meir Park Division to profitability are having effect.
- Although demand in North America continues to be depressed inventories have been reduced and are now at a level for us to develop higher margin business. Reductions in costs and improvements in efficiency will follow from an agreement now implemented to share warehousing facilities with Canadian China and Glass Limited.
- Exports to Northern and Western Europe have improved by 43%.
- The Board, although taking a cautious view, expects to make further progress during the second half.

Copies of the full Interim Report are available from The Secretary, Meir Park, Stoke-on-Trent, ST3 7AA.

Nalco undeterred by hostility in survey

BY OUR LABOUR EDITOR

THE National and Local Government Officers' Association, the country's fourth biggest union, is to press on with a £1m campaign attacking government cuts in, and the responsibility for the upsurge in street violence—a view held particularly in London.

The survey is based on a limited sample of people who might be expected to have an open mind on public expenditure, ranging from Labour voters to "wet" Conservatives.

The exercise was a qualitative one, based on small, five to six member groups who discussed a range of issues and then reported back to the public service cuts. The survey was conducted by the Boase Massimi Pollitt advertising agency, hired by Nalco to undertake the campaign.

The survey, while obviously limited, is nevertheless displaying how much moderate public opinion it must win to gain widespread support for its opposition to government economies.

The groups, mainly male and female Labour or Liberal/SDP voters drawn from Chester, Sheffield and London (Westminster), expressed a range of views, including:

nationalised because the profit motive and competition were good incentives to work harder and more effectively.

● That the immigrant population was held to be largely responsible for the upsurge in street violence—a view held particularly in London.

● In Chester and Sheffield unemployment was a burning issue and immense personal strain was often apparent. In London, the unemployed were seen as moonlighters or scroungers.

● Many respondents thought that where a council opposed government cuts, "money was being deliberately wasted, quite apart from being inherently mismanaged, in an attempt by the local council to defy the Government."

● Several respondents felt it was time public services were cut because they were seen to be inefficient and mismanaged.

● The National Health Service and education were felt to be valuable and cuts were held to be dangerous in these areas.



WE THE LIMBLESS, LOOK TO YOU FOR HELP

We come from both world wars. We come from Korea, Kenya, Malaysia, Aden, Cyprus, Ulster and from the Falklands. None of us, we must look to you for help. Please help by helping our Association. BLESMA looks after the limbless from all the Services. It helps to overcome the shock of losing arms, or legs or an eye. And, for the severely handicapped, it provides Residential Homes where they can live in peace and dignity.

Help the disabled by helping BLESMA. We promise you that not one penny of your donation will be wasted.

Give to those who gave—please

BLESMA
BRITISH LIMBLESS
EX-SERVICE MEN'S ASSOCIATION

SAVINGS OFFERS

	Page
Vanbrugh	1
Britannia Group of Investment Companies Ltd.	2
Guardian Royal Exchange Assurance	3
Gartmore Fund Managers	6
Arbuthnot Securities Ltd.	6
Perpetual Group	7
Mercury Fund Managers	7
Touche Remnant Unit Trust	8
Hill Samuel Fund Managers (Jersey) Ltd.	8
Britannia Unlisted Secs. Market Fund Ltd.	28

THE WEEK IN THE MARKETS

Budget proves anti-climax for booming equities

By the time Sir Geoffrey Howe stood up on Tuesday afternoon to present his 1983 Budget, the party in the London market was over. The widespread Press comment on the contents of his package, the long awaited Open Market Operations (OMO) package, and a cut in bank lending rates had sent trading almost to the point of collapse in the hours before he spoke.

The FT Industrial Ordinary share index reached an all time high of 673.6, gifts had bubbled, and even sterling had made a small rally.

The next day, however, the enthusiasm had evaporated. Share prices began to slip, the pound began to wobble against the dollar, and some profit taking to fund purchases of a new £1bn tap stock led to a small fall.

The FT index went sharply into reverse finishing the two

week account up 0.7 to 661. Fears about a further oil price slide continued to give the pound a bumpy ride against the dollar and yesterday it was touching its lowest ever at \$1.488. But the trade weighted average was generally firm throughout the week yet finished at a 64-year low of 78.9.

One of the obvious beneficiaries of the Budget's provisions for stock relief for companies acquiring oil houses in exchange for new house building Barratt Developments, which on Monday reported a 36 per cent jump in mid year pre-tax profits to £20.7m.

Forecasters now see a 45 per cent advance to £55m at full time. The shares, which since the beginning of 1982 have soared from 186p to 558p, slipped to 448p after the interim figures.

LONDON ONLOOKER

BP uncertainty

Thursday's broad hint from British Petroleum that it may now be prepared to compromise over a mounting disagreement with Opec producers on the size of prospective North Sea oil cuts came at the same time as an encouraging profit announcement.

BP turned in net income for last year of £112m, well ahead of market expectations, though down on the previous year's £1.02bn. At operating level, profits were marginally lower than those of 1981 at £3bn (£3.09bn).

The dividend was maintained at a net 20.25p, with a final payout of 14p.

In common with other oil majors, notably Royal Dutch/Shell which reported last week, BP has extensive refining and marketing operations which benefited handsomely from the lower price of crude in the latter part of the year.

The large downstream operations were largely responsible for the profit spurt in the final quarter, which brought in £48m compared with £218m in the corresponding period of the previous year. The weakness in crude oil prices brought a consequent fall in taxes on production and the relative currency advantages added to the buoyancy of the year's fourth quarter.

The last months of the year produced another encouraging result in the form of an oil trading turnaround in the European operations. UK and German activities, beset by difficulties for most of the year, emerged £78m in the black at end-December having wiped out the £21m losses incurred during the first three-quarters of the year.

This turnaround slightly reduced the group's sometimes embarrassing profit dependence on its US affiliate Sohio. Even so, Sohio remained BP's dominant profit source, kicking in £582m to overall net income against £591m in the previous year. The bulk of Sohio's profit came from its Alaskan oil production, though marketing and refining operations also showed improved profits.

Cut-backs and strict financial controls have helped to stem cash outflows from downstream operations but continued recession in the major world economies again put a damper on the performance of BP's chemicals, minerals and coal operations.

Downstream margins are likely to be better this year than last and BP can be

expected to exploit opportunities to the spot market—in which it is trading extensively—to gain a competitive edge in crude prices. But for all that, the outlook for the current year is one of uncertainty.

Engineers' upturn

People looking for real signs of economic recovery in the 1982 results from two of the country's major engineering groups, Guest Keen Nettelfields and TI, the former Tube Investments, were disappointed this week. While both companies improved their pre-tax results most activities continued to suffer from weak demand.

GKN, Britain's largest engineering concern, had suffered a bitter setback in 1982 as it collapsed from near £125m pre-tax profits to a £1.2m loss and cut its workforce by a quarter. Surgery helped pull it back into the black in 1982, at £34.6m, after redundancy costs, and further recovery was expected last year.

Mid-year profit of £30.5m held to that promise but the group warned of a downturn in the second half. In the event, profits in the second six months were £10.3m, against £28.2m a year earlier, leaving the total near the bottom end of market forecasts at £40.8m.

Below the tax line a more than doubled charge for redundancy costs and closures of £32.5m left the unchanged dividend of 8p net uncovered and almost £65m sliced off reserves.

The main black spot was the UK, where there was a second half loss of £1m against £12m in the first half profits. Here and in North America demand fell from its already depressed levels after mid-term.

However in the U.S. and Europe there were substantial gains in trading surplus. The European transmission business showed a strong performance and the U.S. automotive parts

and accessories distribution operation was healthy.

But the poor state of the American motor industry was reflected in exports from the group's UK foraging business which fell 41 per cent leading to 5,000 job losses costing £12m.

The indicators for the current year are more favourable explaining why the shares rose 2p to 156p on the figures.

TI in black

TI, more recognisable in the High Street for the trade names Russell-Hobbs, Glow-Worm, Creda and Raleigh last year managed to report a small upturn from a £900,000 pre-tax loss to a £4.7m profit: a far cry from the record £80m profit seen in 1978.

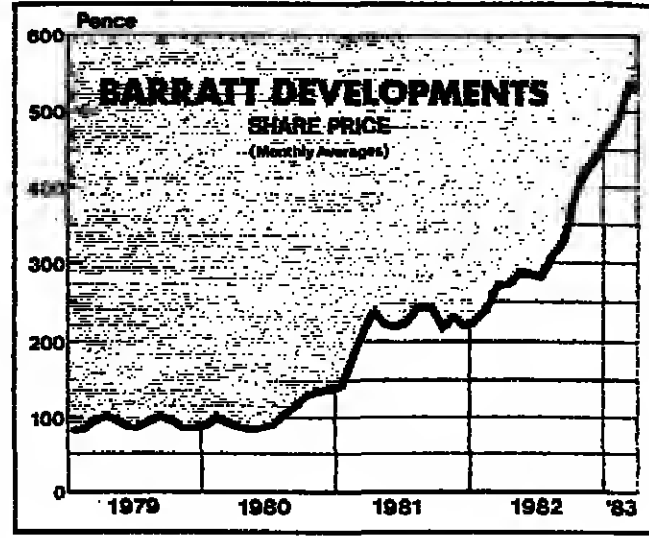
But the reported figures hide the real story. In 1981 the group was being weighed down by the loss on its 58 per cent owned British Aluminium in addition to depressed markets for many of its other businesses. The taxable loss as reported that year was £23m, even after a £9.3m profit on a property sale.

The millstone of BACO was removed in November last year when it was sold, in an effort to rationalise the over-supplied aluminium industry, to the country's other major producer Alcan Aluminium for £29m.

TI shows these losses in the latest results below the line, including a £36.3m loss on the disposal. TI reserves take a £64m battering.

For the rest of the group, recovery by the UK cycle business continues with the division's expected return to the black this year. Demand is flat for specialist engineering, however, and tube sales are being hit by a slump in demand from the oil industry. Much therefore depends on TI's domestic appliances division which contributed 66 per cent of trading profits.

The 1982 improvement had been discounted by the market



and the shares slipped 5p from a peak to 166p on the figures.

T & N suffers

The market took a stonewall view of what was a terrible year for Turner and Newall, whose preliminary figures sank to an all-time low, with pre-tax losses at £19.3m against the previous year's £11m profits. At the bottom line, attributable losses reached an awesome £12m.

The management has battered down the hatches and with the help of an albeit provisional lifeline from the group's bankers, seems to have steered the ship out of immediate danger. But T & N is still far from attracting more than a flicker of investment interest, possibly because of uncertainty about the future size of asbestos claims. It would be misleading to overstate this problem, however, as claims account for only around 1 per cent of sales and the company is making progress in its switch towards asbestos-free products.

During the second half T & N took on a new chairman and eased its gearing from 55 per cent at the year-end to less than 30 per cent, thanks to the sale of Philip A. Hunt Chemical Corporation in the U.S. for \$90m.

Clearing would have been higher were it not for the deconsolidation of its Zimbabwe mining subsidiaries. T & N, talking to the Harare Government about ways to reduce stocks and running levels in the face of local laws restricting such actions.

In the UK, working capital was reduced by a substantial £17m, and costs were trimmed in the current year, the £1.5 workforce has been slashed by 400, with another 600 planned to go — all of which should lead to a sharp improvement in cash flow.

The 1982 capital spending budget has been chopped from £33m in 1982 to £10m. This, along with further cuts in stock, means the group should not be forced to make any more disposals for a while.

Sir Francis Tombs, the new chairman, piled on the pessimism with a bleak forecast for the world economy will no come to the aid of industry or T & N in the current year. He is concentrating on those businesses with a profit potential and aims to improve their efficiency. With two disposals behind it—the first was BIF Vinyls sold for £23m—operational cash generation will be T & N's prime objective.

MARKET HIGHLIGHTS OF THE WEEK					
	Price	Change	1982/83	1982/83	
	£/day	on week	High	Low	
FT Govt. Sec. Index	30.74	-0.04	35.84	31.89	Sterling blunts int. rate hopes
FT Ind. Ord. Index	661.0	-2.3	673.6	518.1	Post-Budget hangover
FT Gold Mines Index	551.2	-41.4	734.7	181.2	Bullion price uncertainty
Bejm	128	-15	173	109	Disappointing annual results
Stratified Eng.	48	+19	48	21	Management & capital changes
Bio-Isolates	230	-58	440	44	Speculative support withdrawn
BP	340	+18	340	258	Satisfactory annual results
Britoil	55	+8	84	41	Budget help for N. Sea explorers
Brit. & Commonwealth	840	+115	840	291	Tolerance stakes
British Syphon	44	+8	49	21	Tender offer for N. Sea explorers
Chubb	62	+15	161	99	Big speculation
Danish Bacon A	62	-14	98	53	Cancelled losses
GKN	168	+24	186	107	Recovery prospects
Halford (L)	80	-15	102	38	Executives leave company
Hewlett (L)	90	+18	82	45	Better-than-expected results
Link House Publications	423	+60	430	225	Impressive interim results
London & Liverpool Yat.	425	-40	700	39	Adverse comment
Rank Org.	142	-14	200	99	Management upheaval/no U.S. bid
Steeley	153	-35	190	725	Dividend cut/profits slump
Tilling (Thos.)	132	-15	169	109	Disappointing results

Watching high tech and high fashion

WALL STREET, for once, has had a quiet week. Volume in the equity market has eased back to some of the lowest levels seen this year, and the bond market has marked time ahead of the heavy programme of government borrowing which is coming up next week. Short term interest rates have edged a little higher, but yields at the long end have remained steady at just over 10 1/2 per cent.

Starting next Tuesday, the Treasury is set to raise \$13.5bn in a three-day end-of-the-quarter financing jamboree, and the prospect of all that paper has been rather sobering for the credit markets.

In addition, there is a growing view that the Federal Reserve Board is ever so gently shifting away from the policy of easing credit conditions and moving towards a rather firmer stand on controlling the money supply. The key federal funds rate averaged just over 8 1/2 per cent in the week to Wednesday, and appeared to be moving a little higher in the past couple of days.

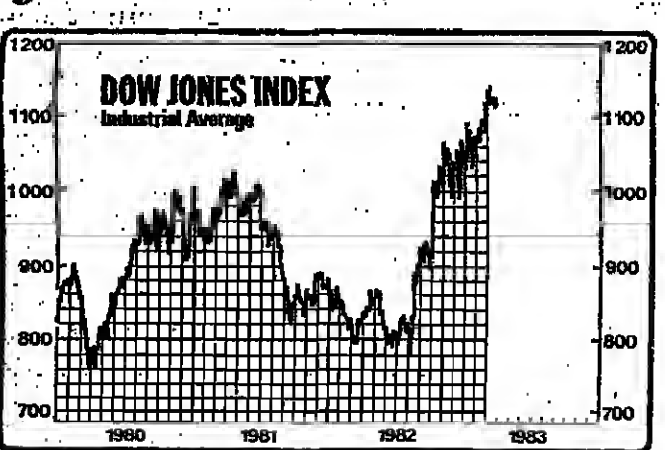
Although the Dow Jones Industrial Average has shown again little overall movement, there has been lots of action in individual sectors and shares. The oil group has been especially weak, with both the international and the domestic companies showing some quite sharp falls in active trading.

You could pin the blame on the unsatisfactory meeting of Opec, which finally dragged itself to a conclusion last Monday. Or you could say that the first quarter is drawing to a close, and that no self-respecting fund manager will want to include too many oil stocks in his quarterly report. At any rate, it may just be worth keeping an eye on the relative strength of the oils in the next few weeks.

The high technology sector is also one to watch, since it is just possible that this very hot sector of the market might be beginning to come off the boil. Admittedly, there is still plenty of demand for, almost anything of a suitably fancy name, that is rumoured, for example, that an international investment group led by Merrill Lynch has pulled together the amazing sum of \$1bn in two recently launched high tech mutual funds.

But that fact in itself might set alarm bells ringing gently in cynical minds—and there is certainly no shortage of supply to meet all this demand. On some estimates, new issues in the sector have exceeded \$1bn in the current quarter.

However, one or two new issues have not done quite as well as their sponsors might have hoped in recent weeks.



And the sector as a whole may be pausing for breath, to judge by an index of the share prices of 117 high tech companies compiled by Hambrecht and Quist, the west coast securities firm which specialises in this area.

The index now stands at around 760, which is roughly double the low point for the last 52 weeks—but is well below its recent high of nearly 800.

NEW YORK

RICHARD LAMBERT

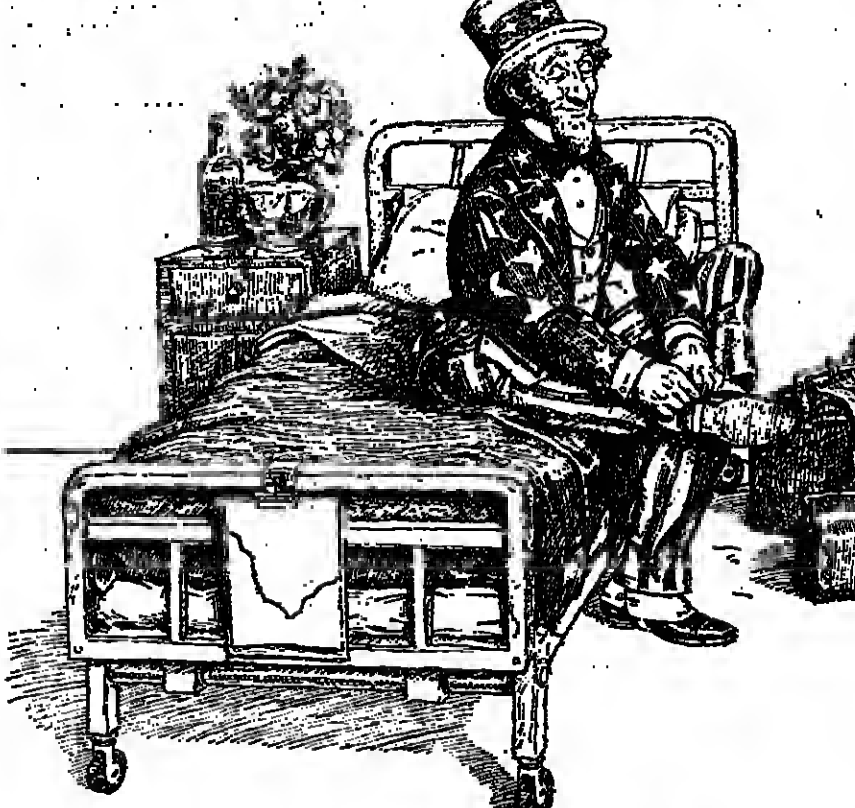
Instead of high tech, the high fashion on the street this week has been high fashion—or more precisely, the big department store groups. Shares in this sector have been showing signs of strength for some while now and in the past few days they have fairly bounced ahead on the strength of some optimistic earnings statements.

The stand-out performance has come from Carter-Hawley Hale, the Los Angeles-based group (remember the name? It was after House of Fraser when Harrods was barely a glint in Tiny Rowland's eye). News that its net earnings in the fourth quarter had jumped by over 50 per cent sent its shares up by roughly a sixth in the first four days of the week.

Carter-Hawley is actually a bit of a special situation—the market hopes that it might be turning the corner after some disappointing years—but other groups are doing well, too. Federated Department Stores, best known for owning Bloomingdale's, achieved a 10 per cent earnings rise in the final quarter, while Dayton Hudson was up by more than a fifth.

The story is that revenues are being boosted by rising consumer spending—the stores say that the upturn began in the latter part of 1982—while costs are being held down by falling inflation, with the lower pace of wage increases being especially important.

You won't get another chance like this to invest in North America.



Any real recovery in world trade was almost bound to begin the other side of the Atlantic.

There are signs it already has.

Retail and car sales are on the way up again.

The Dow Jones has shot up by over a third since August '82. Many shares have done even better.

If we're seeing the first stage of a bull market they've got a lot further to go before they peak.

Which is why we are launching the GRE North American Trust now.

The world's biggest economy.

The USA alone accounts for no less than 56% of world stock market capitalisation.

A simple fact no serious investor can afford to ignore. It's the biggest, most obvious direction in which to diversify from a UK portfolio.

Bargain share prices.

It's our belief that many shares in the US are still undervalued.

In spite of recent rises they still look cheaper in relation to growth prospects than similar shares in Europe.

Because of the huge size of the market there are also more good shares to choose from in each sector.

These two factors give us an excellent opportunity to achieve growth across a mixed portfolio.

Our investment policy.

The objective is capital growth, with income very secondary. (We estimate that in the first year the annual gross income yield will be 2 1/2%.)

All income will in any case be reinvested to increase each individual unit holding.

Initially we will be spreading our investment over 30 to 50 different stocks, with emphasis on sectors such as electronics, health care, fast food and leisure related industries where we believe current growth prospects are best.

However, the portfolio will be broad ranging and we will be fully prepared to take advantage of new opportunities.

Our credentials.

The GRE group manages over £4,000 million of assets worldwide, and has been investing in North America for close on a hundred years.

Our International fund linked to life assurance policies is mostly invested in North America.

To give you some idea of our performance, in the last six months it rose by no less than 48%.

An introductory offer.

The initial issue price is 100p per unit, with a discount of 2% for all applications received before 25th March, 1983.

The minimum holding is 250 units.

As an example, 250 units at the introductory offer price will cost you £245; 500 units, £490; and 1000 units, £980.

How to apply for your units.

Complete the application form and send it together with your cheque made payable to 'GRE Unit Managers Limited' to us at 45 Beech Street, London EC2P 2LX to arrive not later than 25th March, 1983.

Remember, as with all unit trusts, the price of units and the income from them can go down as well as up.



INVEST IN 50,000 BETTER TOMORROWS!

50,000 people in the United Kingdom suffer from progressively paralysing MULTIPLE SCLEROSIS—the cause and cure of which are still unknown—HELP US BRING THEM RELIEF AND HOPE.

We need your donation to enable us to continue our work for the CARE and WELFARE OF MULTIPLE SCLEROSIS sufferers and to continue our commitment to find the cause and cure of MULTIPLE SCLEROSIS through MEDICAL RESEARCH.

Please help—send a donation today to:
The Multiple Sclerosis Society of Great Britain

Please read this carefully before you apply.

Applications will be acknowledged on day of receipt. Certificates will follow within 42 days. Remuneration will be paid to qualified intermediaries. Rates are available on request.

Interests: Less income tax, will be reinvested in the Trust in six monthly instalments.

The Trust will distribute cash vouchers on 31st May and 30th November each year together with details of the revised unitholding. The first distribution will be on 30th November 1983.

Reports on the progress of the Trust will be included with each unit voucher distribution. Measurement charges are not included for this.

Keep charges as low as possible, the annual service charge, based on the value of the Trust and deducted from its income, will be 4% (plus VAT).

Prices and yields are quoted daily in the national press.

Redemptions: Units can be cashed at any time at the bid price ruling on receipt of instructions to sell. Payment will normally be made immediately upon receipt of the redemption certificate(s).

The Trust is a Midland Bank Trust Company Limited.

The Managers are Guardian Royal Exchange Assurance Limited, 45 Beech Street, London EC2P 2LX.

NORTH AMERICAN TRUST

The Guardian Royal Exchange Unit Managers Limited, 45 Beech Street, London EC2P 2LX. Telephone 01-628 8011. Reg No 93759.

I/We enclose my/our cheque for £ for investment in GRE North American Trust at the special offer price upon the terms of the Trust Deed (minimum initial investment 250 units). I/We authorise the reinvestment of my/our income in the purchase of further units. I/We hereby instruct you to register this holding as set out below.

Signature: (Please state Mr/Ms/Mrs/Ms) BLOCK CAPITALS PLEASE

Forwards in full: Address:

FINANCE AND THE FAMILY

Underleases and tax

BY OUR LEGAL STAFF

I am concerned with an underlease of a residential flat which is for a term of 20 years with a provision that the lease can be determined on notice in the event of the prior death of the under-lessee. I consider that by virtue of Section (3) to Schedule 5 to the Finance Act 1975, this is deemed to be a settlement. Please can you tell me what the tax consequences are if this is a settlement as opposed to any other form of disposition?

If the under-lease was not granted for full consideration (in money or money's worth), then paragraph 1 (3) of Schedule 5 will indeed apply. The tax consequences depend on the precise circumstances; we suggest that you consult either your solicitor or one of the standard works on CTT in a local reference library.

A restricted tenancy

My father proposes to let a furnished flat in his London house in the form of a restricted tenancy which enables him to enforce a notice to quit. Could you tell me what is the position of such a tenancy in the event of his death? Would the right to enforce a notice to quit still be available

to me as the new landlord, or would the tenancy automatically convert to a regulated tenancy? I understand the tenancy is covered by the provisions of the 1977 Rent Act and the 1980 Housing Act. Could you tell me where I can find copies of these Acts when I am next in London?

The notice to quit can be served by a personal representative, and it would be wise to effect service promptly, once probate or letters of administration have been obtained. If this is not done within two years of the grant the tenancy will become a regulated tenancy. Copies of the statutes may be obtained from Her Majesty's Stationery Office (10 Holborn) or from law stationers; but you may find it better to consult appropriate legal text-books in one of the public libraries.

Zero coupon U.S. bonds

Further to your reply under "Zero coupon U.S. bonds" (February 12) I have during the past month sold various USA zero coupons to make a profit of approx \$4,000, however, approx \$750 of the \$4,000 profit has been due to the exchange rate moving in my favour, i.e. when purchased the exchange rate

was approx \$2 to the £1. When sold, it was approx \$1 to the £1.

1) Am I right in thinking, re FT Feb 12 1983 that all the profit made on a USA zero coupon by a UK resident will be treated as income and not Capital Gain?

2) Am I also right in thinking that a loss on a USA zero coupon will be treated as a Capital loss and not an income loss?

3) Would you agree that I can treat the £750 profit as a Capital Gain as it was due to the movement in the exchange rate and not to the movement in the price of the zero coupon?

You have fortunately picked upon points which we were unable to cover adequately in the space available on February 12.

1) Yes, to the extent of the difference between the purchase/subscriptions price and the sale/redemption price, ignoring expenses, covered at the rate of exchange on the day of sale/redemption.

2) Yes, however, the statement in paragraph 28(a) of the consultative paper that under "the current treatment of foreign stock... losses are brought into account under case V of schedule D" appears to announce an important extra-statutory concession (extending the case V loss-relief concession announced in a letter to the

Institute of Chartered Accountants in England and Wales dated November 13 1977, and clarified in SP2/80 of February 29 1980).

3) Yes, broadly speaking, subject to the wasting-asset rules (since the bond has a life of less than 50 years); the consultative paper is silent upon the wasting-asset provisions (and upon exchange rate fluctuations), so perhaps it is safe to infer that there is an unpublished concession on this point.

VAT and fitted wardrobe

I have recently been obtaining quotes from various suppliers for the purchase and fitting of a "built-in" wardrobe and have come across a discrepancy with regards the charging of VAT. One local supplier states that no VAT will be charged on his bill because the wardrobe represents a home improvement. The wardrobe itself will be screwed on to one wall but will not reach (by a few inches) the opposite wall. However, on obtaining a quote from another firm I discovered that the entire bill was subject to a 15 per cent VAT charge and on questioning the supplier was informed that his VAT inspector had told him that

unless the wardrobe was fitted "wall to wall, then he must charge VAT." What, please, is your advice?

We would like to give you some clear advice but find this somewhat difficult. We are aware that the Customs and Excise have taken the view that zero rating is only available if the whole wall is covered with a fitted wardrobe. They took this view in the Smltmit Design Centre case. The VAT Tribunal agreed with the company concerned that zero rating applied. The Customs appealed to the Courts and the Judge sent the case back to the Tribunal on the grounds that they had asked themselves the wrong question. At the moment we are not aware of the final decision. Our opinion is that zero rating should be given even if the wardrobe does not cover the whole wall.

Money for a churchyard

All the beneficiaries of my late mother's will are agreed to set aside a small sum, the interest to help with the upkeep of the churchyard where she is buried.

However, before arousing expectations we should be at grateful of your experience.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Who should administer the capital? Whether parochial church council, Diocese, or Court?

If the sum involved is small, it would probably not be convenient to set up a trust. Your better course would be to invite an existing body such as the parochial church council to accept the money on the trusts which you wish to impose for the upkeep of the churchyard.

Gas authority's powers

I own a terraced house which is listed as a Grade 2 building because of its front elevations. The house has no gas supply.

The local gas board have placed outside and against the front elevation a concrete pillar some 3 ft high which enables them to read the gas pressure at that particular point. Is it likely that they have the necessary authority to place this pillar in such a position?

The gas authority has the requisite power; but you may wish to invite it to resite the pillar in view of the listing which your house has—assuming that there is not the same objection to siting it at another point in the terrace.

ELECTRA RISK CAPITAL PLC.

Issue of Master Shares in the Electra Risk Capital II Fund at £2,500 each

Electra Risk Capital II is a Fund approved by the Board of Inland Revenue under the Government's Business Start Up Scheme.

The Subscription List will close at 5.00 p.m. on 30th March, 1983. Full details of the issue are contained in the Prospectus, copies of which (with forms of application) are obtainable through your stockbroker and from Electra Risk Capital PLC., Electra House, Temple Place, Victoria Embankment, London WC2R 3HP. Telephone: 01-836 7766

Before deciding to proceed with an application for Master Shares, you are strongly advised to take financial advice (e.g. from a stockbroker, accountant, solicitor, bank manager, etc.), taking account of the special risks involved and your own financial circumstances.

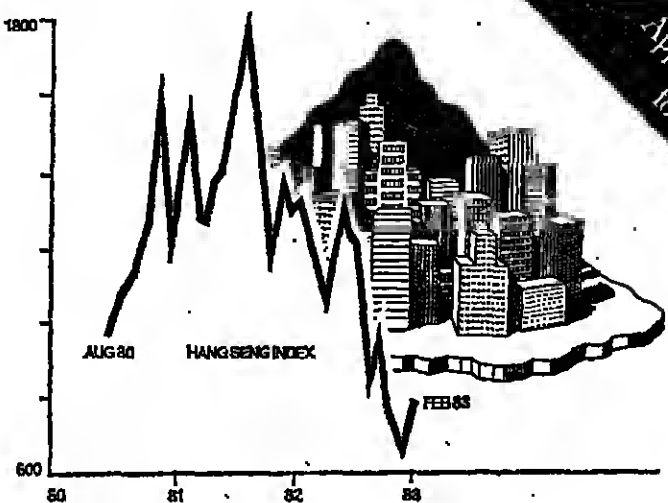
If you require a copy by post, please complete the coupon and send it to Electra Risk Capital PLC. at the above address.

Please send me a copy of the Electra Risk Capital II Fund Prospectus

Name _____

Address _____

Postcode _____



Invest in one of the most exciting economies on Earth.

The new Gartmore Hong Kong Trust.

A fierce commitment to capitalism; an ambitious and energetic business community; a young, hard-working population; these have made Hong Kong one of the world's most dynamic economies. Over the past two decades this has meant average real growth of 9% p.a., and high returns to investors.

But in 1982, badly hit by the world slump and political worries, the Hong Kong market had a disastrous year. From a peak of 1810 on 17 July 1981 the Hang Seng Index dropped over 1100 points to 676 on 2 December 1982, before recovering to current levels.

Because of this dramatic drop—plus signs that the world recession is ending—we believe that Hong Kong offers enormous recovery potential. And now, while the stock market is still far below its previous peaks, we have launched the new Gartmore Hong Kong Trust—investing solely in Hong Kong—to allow investors to take advantage of this opportunity.

Growth potential

Already the influences which produced the 1982 crash are beginning to look more favourable. At Gartmore we believe that Hong Kong's economic growth will be 4% p.a. over the next two years (compared with 1% p.a. globally), on the way back to its previous 9% level. As investor confidence returns, Hong Kong looks set to stage a major recovery in 1983.

At the leading edge of world trade

In the all-important international trade markets Hong Kong adopts an opportunistic and flexible approach that enables the Colony to capitalise on world demands. America's consumer spending, which is of vital importance to Hong Kong's exports, is now looking healthier—and entrepreneurs and workers alike are preparing for rich rewards from revitalisation of the world economy generally.

Property—the worst is over

In the property markets, which were hit by a collapse of 30% to 50% in property and land prices, there are signs of a return to confidence. Rents are stabilising, and, while large property profits may not reappear just yet, we believe that the largest part of the crash is over.

A new Lease of life

In 1982, the seeming lack of progress on the renegotiation of the lease on the New Territories, weighed heavily on Hong Kong's markets.

But Gartmore believes that a satisfactory compromise with China over the lease will be achieved, boosting stock market confidence and with it the

hope that closer economic relations with China will bring tremendous gains.

Aiming for growth

The main emphasis of Gartmore's Hong Kong Trust will be on investments which we believe stand to gain most from the Colony's impending recovery.

The aim of the Trust is above-average growth and the income is therefore likely to be modest. The estimated gross commencing yield is 1.80% p.a.

The advantage of on-the-spot management

Gartmore has been involved in Hong Kong for nearly 20 years, being one of the first investment companies to take the Colony seriously. Today, with a wealth of expertise and local contacts via our Hong Kong office, we believe we are able to offer on-the-spot judgements and continue our reputation for success in Far East investment.

Invest promptly for 1% discount

You can invest from £200 upwards. If we receive your application before 25 March, 1983, you will benefit from an additional 1% allocation of units. The unit offer price is fixed at 25 p until 8 April, 1983. To invest, just complete and post the coupon below, ensuring that it reaches us before the closing date.

Remember the price of units and the income from them can go down as well as up. This investment offers the opportunity of higher-than-average returns from shares that are potentially volatile, and should ideally be viewed as part of your overall portfolio.

You can obtain information on other Gartmore unit trusts, and on Gartmore's Share Exchange Service, by ticking the appropriate box on the coupon.

Further information

Applications will be acknowledged, and certificates for units will be issued within the usual time. You can sell your units back to us at any time; the minimum bid price on any dealing day. Prices and yields are quoted in leading national newspapers. We will receive a discount within 14 days of the date of the sale of the units.

Annual distributions are paid, net of tax, to the holders from 1 April 1984. Income tax is payable on the interest received if you are a resident of the United Kingdom. The Trust has an initial management charge of 1% of the value of the units at the time of issue. The annual charge is set at 4 pence per unit plus 1% of the value of the units at the time of issue. The charge is deducted from the gross income and is payable in the form of a dividend. The Trust is a limited liability company. The Manager of the Trust is Gartmore Fund Managers Limited, 25 St. Mary's Lane, London EC3A 8BP. Tel: 01-403 1212. (Member of the Unit Trust Association). This offer is not available to residents of the Republic of Ireland.

The Trust is a limited liability company. The Manager of the Trust is Gartmore Fund Managers Limited, 25 St. Mary's Lane, London EC3A 8BP. Tel: 01-403 1212. (Member of the Unit Trust Association). This offer is not available to residents of the Republic of Ireland.

The Trust is a limited liability company. The Manager of the Trust is Gartmore Fund Managers Limited, 25 St. Mary's Lane, London EC3A 8BP. Tel: 01-403 1212. (Member of the Unit Trust Association). This offer is not available to residents of the Republic of Ireland.

The Trust is a limited liability company. The Manager of the Trust is Gartmore Fund Managers Limited, 25 St. Mary's Lane, London EC3A 8BP. Tel: 01-403 1212. (Member of the Unit Trust Association). This offer is not available to residents of the Republic of Ireland.

The Trust is a limited liability company. The Manager of the Trust is Gartmore Fund Managers Limited, 25 St. Mary's Lane, London EC3A 8BP. Tel: 01-403 1212. (Member of the Unit Trust Association). This offer is not available to residents of the Republic of Ireland.

The Trust is a limited liability company. The Manager of the Trust is Gartmore Fund Managers Limited, 25 St. Mary's Lane, London EC3A 8BP. Tel: 01-403 1212. (Member of the Unit Trust Association). This offer is not available to residents of the Republic of Ireland.

The Trust is a limited liability company. The Manager of the Trust is Gartmore Fund Managers Limited, 25 St. Mary's Lane, London EC3A 8BP. Tel: 01-403 1212. (Member of the Unit Trust Association). This offer is not available to residents of the Republic of Ireland.

The Trust is a limited liability company. The Manager of the Trust is Gartmore Fund Managers Limited, 25 St. Mary's Lane, London EC3A 8BP. Tel: 01-403 1212. (Member of the Unit Trust Association). This offer is not available to residents of the Republic of Ireland.

The Trust is a limited liability company. The Manager of the Trust is Gartmore Fund Managers Limited, 25 St. Mary's Lane, London EC3A 8BP. Tel: 01-403 1212. (Member of the Unit Trust Association). This offer is not available to residents of the Republic of Ireland.

The Trust is a limited liability company. The Manager of the Trust is Gartmore Fund Managers Limited, 25 St. Mary's Lane, London EC3A 8BP. Tel: 01-403 1212. (Member of the Unit Trust Association). This offer is not available to residents of the Republic of Ireland.

The Trust is a limited liability company. The Manager of the Trust is Gartmore Fund Managers Limited, 25 St. Mary's Lane, London EC3A 8BP. Tel: 01-403 1212. (Member of the Unit Trust Association). This offer is not available to residents of the Republic of Ireland.

The Trust is a limited liability company. The Manager of the Trust is Gartmore Fund Managers Limited, 25 St. Mary's Lane, London EC3A 8BP. Tel: 01-403 1212. (Member of the Unit Trust Association). This offer is not available to residents of the Republic of Ireland.

The Trust is a limited liability company. The Manager of the Trust is Gartmore Fund Managers Limited, 25 St. Mary's Lane, London EC3A 8BP. Tel: 01-403 1212. (Member of the Unit Trust Association). This offer is not available to residents of the Republic of Ireland.

The Trust is a limited liability company. The Manager of the Trust is Gartmore Fund Managers Limited, 25 St. Mary's Lane, London EC3A 8BP. Tel: 01-403 1212. (Member of the Unit Trust Association). This offer is not available to residents of the Republic of Ireland.

The Trust is a limited liability company. The Manager of the Trust is Gartmore Fund Managers Limited, 25 St. Mary's Lane, London EC3A 8BP. Tel: 01-403 1212. (Member of the Unit Trust Association). This offer is not available to residents of the Republic of Ireland.

The Trust is a limited liability company. The Manager of the Trust is Gartmore Fund Managers Limited, 25 St. Mary's Lane, London EC3A 8BP. Tel: 01-403 1212. (Member of the Unit Trust Association). This offer is not available to residents of the Republic of Ireland.

The Trust is a limited liability company. The Manager of the Trust is Gartmore Fund Managers Limited, 25 St. Mary's Lane, London EC3A 8BP. Tel: 01-403 1212. (Member of the Unit Trust Association). This offer is not available to residents of the Republic of Ireland.

Back on the victory trail

MINING

GEORGE MILLING STANLEY

NOT SO long ago, people were beginning to ask themselves whether De Beers Consolidated Mines had lost its touch. The group has remained the leading force in the world of diamonds even during the past few extremely difficult years, but there were suggestions that its position of supremacy was no longer as secure as it had been.

The South African group's profits were falling, so that it was deemed necessary to have two consecutive dividend payments, hitherto regarded as impracticable.

Stocks of uncut diamonds in the vaults of the Central Selling Organisation (CSO), a vital part of the group which was set up almost 50 years ago as a mechanism for maintaining the prices of rough (uncut) stones, seemed to be mounting ever more rapidly towards the R2bn (£1.25bn) mark.

This brought to its wake all the attendant problems of huge financing charges at times of very high interest rates.

Added to all this was the fact that the CSO was still suffering from a sizeable loss of face over Zaire's decision to end its 14-year exclusive marketing relationship with the

group in favour of a trio of independent dealers.

In money terms, this was relatively insignificant. Although Zaire once ranked first in the world in diamond output, production has fallen off markedly in recent years, and in any event the vast bulk of the country's stones are of the cheaper industrial grades.

Nevertheless, the loss of prestige to De Beers was considerable, coming as it did at a time when the group's near-monopoly position in the diamond business was threatened from so many other quarters as well.

De Beers seemed to be under siege, an impression which, if anything, was reinforced when Mr Harry Oppenheimer announced that he was to retire from the chair of the sister group Anglo American Corporation. In order to concentrate his attention on the affairs of the diamond business.

This week, De Beers announced its 1982 results. Predictably, net profits were down by almost one-third to R427.6m, but at least the group managed to maintain the final dividend at the reduced 1981 level of 25 cents, to make a total of 37.5 cents for the year.

This compares with the 50 cents total for the previous year, which was itself well below the record 75 cents paid in the boom year of 1980.

Apart from the results, which

were really not all that bad, De Beers can derive grounds for a degree of cautious optimism from several other sources.

Perhaps most importantly, the CSO has tied up the marketing rights to most of the production from the Argyle joint venture in Australia, which bids fair to become in the next few years the biggest diamond mine in the world.

While this may not prove to be the money-spinner some people seem to be expecting, as much of Argyle's output will be of the cheaper industrial material, De Beers has at least ensured that the stones will not suddenly flood the market, with potentially disastrous consequences on world prices.

Beyond that, Zaire has been brought back into the fold, with the announcement last week of a new two-year exclusive contract with the CSO.

There may still be problems on this front, possibly even involving legal action against the Zaire Government by the ousted independent dealers if next week's planned sale to the CSO goes ahead.

Nevertheless, the fact that Zaire feels it would be better off by resuming its link with the group will, as Mr Oppenheimer predicted, serve as a warning to any other producer who feels tempted to make alternative marketing arrangements.

De Beers' comments on the

diamond market since the beginning of the year, released with the figures, are also encouraging. CSO sales are reported to be running at considerably higher levels than in the closing six months of 1982, with demand expanding into the higher categories.

This is borne out by the level of certifications by the Diamond High Council in Antwerp, primarily covering stones above one carat in size. Over the first two months of this year, certifications are running about 50 per cent higher than in the same period of last year.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

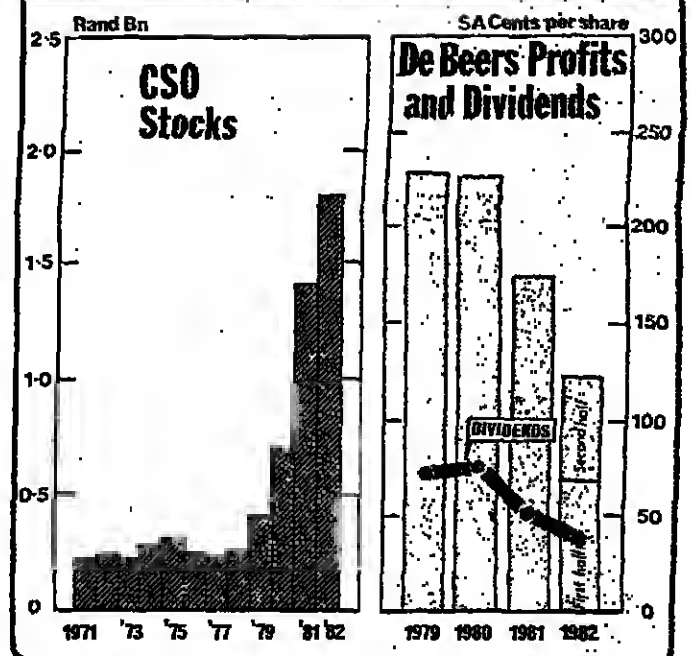
The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

The fight for a return to real prosperity in the world's diamond markets is by no means over, but at least, De Beers seems more to be winning its battles.

DIAMONDS



DIAMOND PRICES

ANTWERP DIAMOND INDEX FOR 1 CARAT POLISHED DIAMONDS
PUBLISHED BY THE DIAMOND HIGH COUNCIL

Base 1973 Highest (Feb 80) Feb 83 Change for Month Trend
100 785.3 288.7 +2.4%

COMMENTARY: Despite no increase in Diamond expansion S.A.s published prices since last month the international diamond market is showing increasing strength. The Economist Intelligence Unit in its 1983 Inflation Shelters Report just published, forecasts a price recovery over the next three years which will take polished diamond prices back up to their record 1980 levels.

MAR 83 DIAMEXPACTION S.A. GUIDE PRICE 1 CARAT D IF
Good finish/proportions HRD Certificate US\$21,600
DIAMEXPACTION S.A. OFFERS A WIDE SELECTION OF
HIGH QUALITY CERTIFICATE DIAMONDS FROM ONE OF
THE WORLD'S LARGEST INVENTORIES.

DIAMEXPACTION
The Ultimate Way to Buy Diamonds
Tel: 01-403 1212 Telex: 200000

Gold and Gold Shares...

When should you buy or sell? That's advice you need right now.

Subscribe to Tony Henfrey's Gold Letter—twelve pages which tell you everything you need to know about gold and gold shares.

Including when to take your profits! Profit-producing advice direct from the Heart of Gold—South Africa.

Every two weeks Tony Henfrey's Gold Letter will give you the most up to date information on the gold market. You'll also get profit-producing advice on gold shares, interest rates, commodities, currencies, metals, the Dow Jones and other international markets. If you already invest in gold—or are about to—you cannot afford to ignore Tony Henfrey's Gold Letter. It will show you how to profit—long and short term—in today's volatile market.

No Risk, Money-Back Guarantee
If you're not 100% satisfied with Tony Henfrey's Gold Letter, you may cancel at any time and get an immediate refund on your outstanding subscription.

YOUR SAVINGS—BUDGET SPECIAL

A new way to back Britain

SMALL BUSINESSES

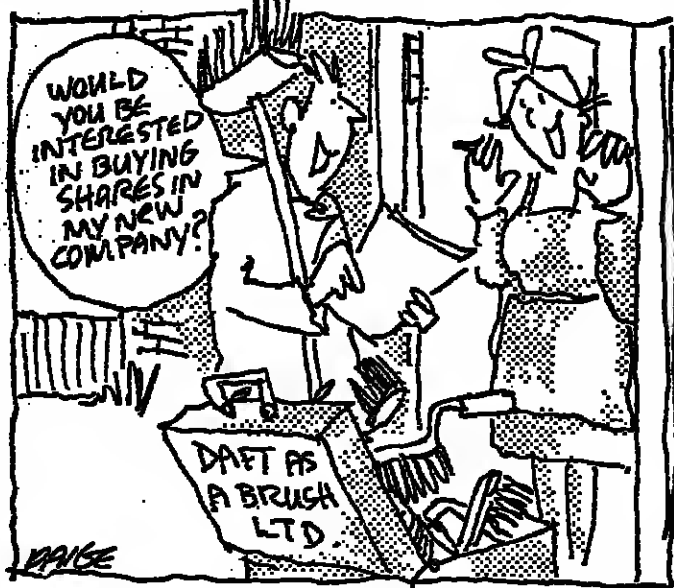
TIM DICKSON

THE CHANCELLOR has given new encouragement to Aunt Agatha. In his Budget statement on Tuesday he announced that from the beginning of the next financial year (April 6) private investors will be able to claim tax relief on equity investments in existing unquoted trading companies, as well as those new ones already covered by the Business Start Up Scheme.

The Business Expansion Scheme, as the new measure is known, thus represents a major breakthrough both for small businesses and those individuals with substantial cash resources looking for a profitable home.

It poses a major challenge to the shrewd investor, raises questions about the future balance of private portfolios, and more generally continues to reverse the fiscal bias in favour of residential property, pensions and insurance (though the Budget did, of course, raise the mortgage tax relief threshold from £25,000 to £30,000).

The detailed working of the Business Expansion Scheme will not become clear until the Finance Bill is published later this month. But broadly speaking, the Chancellor has extended the Business Start-Up Scheme until April 1987, doubled from £20,000 to £40,000 the maximum allowable investment per indi-



vidual in any year and extended the relief to cover a great number of existing unquoted companies. Exactly which sectors will be included in the new legislation is not yet clear but Unlisted Securities Market (USM) stocks will not.

Shares will still have to be held for five years to qualify for the relief but among other significant changes the present rule which restricts relief in total to 50 per cent of a company's ordinary issued share capital will be scrapped.

Government Ministers say they have responded to lobbyists' demands. For although revolutionary in its concept, few individuals responded directly to the Start-Up incentives first introduced in 1981—partly, it seems, because of the many conditions which have to be met to obtain relief and partly because backing a totally new

venture was often considered too risky. The feeling was that an existing company which has a profits record and can make realistic projections will have much greater appeal to potential investors.

Individual shareholders in private companies over the past few years have been a declining breed because "Aunt Agatha" has generally got poorer, alternative investments have been more tax efficient and the prospect of ever cashing in a shareholding in an unquoted company has been dim.

Now that there is a new tax relief bait and new "let outs" in the form of the Unlisted Securities Market and the recent legislation enabling companies to buy back their own shares there could well be a revival of activity.

The problem for investors

will be to find suitable companies looking for new equity. Private businesses as a rule are reluctant to give up equity unless they have no alternative so investors will have to beware of businesses in distress. Disclosure requirements, moreover, are not as onerous as they are for quoted companies.

"Nobody likes to give away their share capital," a business consultant admitted, "but I think there will be plenty of expanding companies now interested in approaching individuals rather than financial institutions. Like the Business Start Up Scheme, however, it will probably be some time before the idea takes off."

Friends are one possibility while accountants, solicitors and bank managers may prove more active intermediaries than they have been so far. There will certainly be a flood of new funds offering professional management and Electra Risk Capital 11, a fund set up recently under the Start Up Scheme and open until March 30, plans to include established companies in its portfolio.

Mr Donald C. Ames

Donald C Ames: In our issue of March 12 we stated that Mr Donald Ames was a director of the failed Gibraltar-based Signal Life. He has never been a director of that company. We apologise to him for this error. Mr Ames has asked us to make it clear that, although from March 1982 he was a director of Hanover Financial Services Limited, which marketed Signal's products in the UK, he was not concerned in the management of Signal Life.

Seven vital little words

NATIONAL SAVINGS

ROSEMARY BURR

THE CHANCELLOR dealt with National Savings in a short phrase this year. He merely stated that the target for National Savings for 1982-83 would be £3bn.

This is only the fourth year that the Government has publicly announced these targets. It is the second year running that the sum targeted in real terms has been reduced. The figure is slightly misleading as it includes accrued interest on all National Savings.

It is difficult to estimate just how much new money National Savings will have to attract in the coming year to meet this target. The £3bn figure for 1982-83 will probably break down into £1bn of accrued interest on the £2bn in the Government's coffers, and a £2bn inflow of funds.

With interest rates likely to be lower overall in the next 12 months than in 1982-83 National Savings is probably



looking for just over £2bn this time round.

Looking at the goodies on the Post Office shelf it is pretty clear that the Government will continue to rely on fixed interest national savings certificates for the bulk of its funds. Nearly half of the £2.5bn attracted by the end of January in the year 1982-83 came from this source.

The current offering is the 25th issue which was introduced last autumn. This is yielding 7.5 per cent net of all taxes over five years. The interest at the end of year one is 8 per cent which is being in line with the Treasury's prediction for the inflation rate at the end of this year.

At the moment the maximum investment in these certificates

is £2,500. If past experience is anything to go by, the Government will at a later stage increase this ceiling to £5,000.

The next biggest money puller is the investment account which is now yielding 10½ per cent gross. This is a fairly stable product and depositors tend to benefit if interest rates are coming down as the rates on this account are altered more slowly than on clearing bank deposit accounts.

Despite receiving a lukewarm press the new income bonds, introduced in August, are already earning their spurs. In six months £748m has poured into these bonds. There is a clause in the prospectus which would enable the minimum figure of £5,000 to be reduced and this is one way National

Savings may choose as it steers towards its £3bn target.

The biggest headache must be Granny bonds—index linked bonds—which proved such a hot seller only a year ago. Despite the promise of a juicy 2.4 per cent special supplement for those keeping the bonds over the year until this November there has been a net outflow of money from these bonds in the past four months.

These bonds are still a good deal for higher rate taxpayers and gain added gloss from uncertainty over just how much the inflation will rise this autumn.

Generally speaking a modest National Savings target is good news for building societies who see themselves competing in the savings market with the Government for a share of the public purse. The Building Society Association's Adrian Coles this week expressed a short-term note of caution.

Although Coles was content with the National Savings target he says "there is no room for building society rates to come down at the moment. Even if rates came down by 1 per cent we would stay where we are because we have mortgages queues."

Roll up for better returns

CURRENCY FUNDS

ROSEMARY BURR

AS FAR as offshore currency funds are concerned it seems to be a case of no news being good news. The Chancellor this week restricted his Budget censure to the corporate use of international tax havens and left roll-up funds which enable clients' investment income to be rolled up into capital gains to flourish unhindered.

Does this mean roll-up funds

have escaped unscathed by Howe's scalpel? The Inland Revenue is not prepared to say "yes" categorically and says that sometimes changes in tax treatment only emerge in the Finance Bill.

There would undoubtedly be an outcry if this were to happen. The Inland Revenue has been playing a marathon game of cat and mouse with roll-up funds over the past three years.

Last September the mandarins from Somerset House backed away from a confrontation. They decided not to assess investors in these funds on the basis that they had unearned income provided the

funds did not become the exclusive province of a few wealthy people.

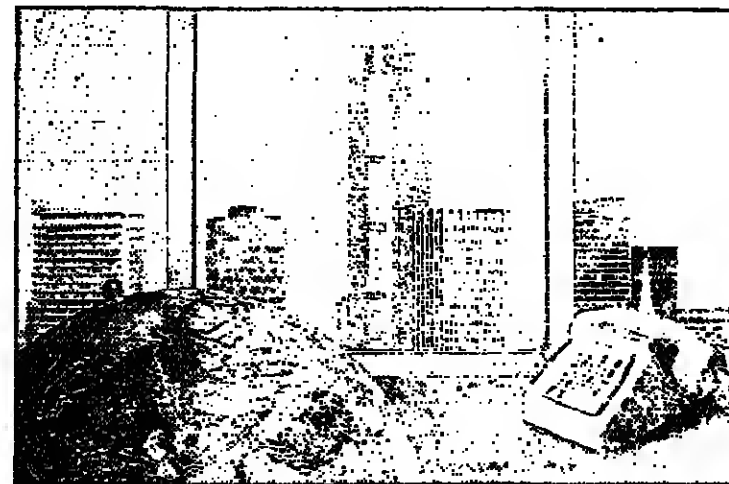
This unexpected climb down by the Revenue was interpreted by some simply as a tactical withdrawal ahead of a strict Budget clampdown on roll-up funds. So why did the Chancellor choose to ignore the offshore currency funds?

Two main theories are doing the rounds. First, compared with other types of international tax avoidance these funds are relatively unimportant. Second, politicians are increasingly sensitive to the fibre that on matters of tax they are puppets whose strings are

in the hands of the Revenue, by refusing to curb roll-up funds the Chancellor was demonstrating his independence of judgment.

Whatever the reason investors should be thankful for the Chancellor's generosity by omission. Sterling funds have two main advantages. There is the much discussed tax break. Since the taxman now adjusts capital gains for inflation clients pay 30 per cent less indexation abatement instead of between 45 per cent and 75 per cent on investment income. The return is greater as the client obtains a rate only marginally beneath wholesale money market rates on his funds.

The Mercury approach to unit trusts:



applying the global view to the local investment.

Investment management is nowadays very much an international business. Events in one of the world's stock markets can have dramatic repercussions in the others and it is important, even when managing a fund specialising in one specific market, to have access to investment expertise on a world-wide basis.

It is just this expertise that is offered by Mercury Fund Managers.

Mercury is part of S.G. Warburg & Co. Ltd., which is responsible for over £4,500 million of funds invested in the UK and overseas and which, as one of the UK's largest and most consistently successful international fund managers, is in constant contact with markets around the world.

With all our teams based in London, at the centre of the world's financial networks, the results of our analysis of international markets and currency projections are constantly available to our fund managers.

This produces a system of investment management which backs the individual fund manager with in-house research on economic

trends, currencies and interest rates—as well as on companies and sectors—while making him responsible for sifting this advice and for the selection of individual shares.

The result is a combination of coherent strategic thinking and flexibility in its application to the purchases of individual shares that, we believe, provides the basis of our consistent long-term success.

If you feel that you could benefit from this professional approach, you should consider the Mercury range of unit trusts:

- Mercury American Growth Fund
- Mercury General Fund
- Mercury Gilt Fund
- Mercury Income and Recovery Fund
- Mercury International Fund
- Mercury Exempt Fund

For full details of these funds, and our other investment services, contact Peter Rives at Mercury Fund Managers Ltd., St. Albans House, Goldsmith Street, London EC2P 2DL (telephone 01-600 4555).

The Mercury approach. It pays.

Mercury Fund Managers—part of S.G. Warburg & Co. Ltd.

Member of the Unit Trust Association

A 1146% rise in only 8½ years.

UP 1146%

THE GROWTH FUND—£1,000 invested at the launch of the Perpetual Group Growth Fund on 11th September, 1974, would now be worth £12,460, a gain of 1146% compared to a rise of 209% in the FT Ordinary Index, 194% in the rate of inflation and 95% in a Building Society Share Account. The Growth Fund has out-performed all other unit trusts for capital growth during the period since it was launched to 3rd March 1983. For investors who are seeking capital growth from an international portfolio.

THE INVESTMENT PHILOSOPHY—The Managers invest internationally in whatever country, in whatever sector of industry and commerce and in whatever companies the prospects for capital growth appear to be greatest.

THE GROUP—Rather than offering a wide range of specialist funds, Perpetual manage only 3 UK based funds—the Growth Fund, the Income Fund and the Worldwide Recovery Fund. Each of the funds follow the same international investment philosophy (tempered by income considerations in the case of the Income Fund) without which Perpetual believe the results would not have been possible.

THE INCOME FUND—Launched on 16th June, 1979, the offer price of units has risen by 70.0% as at 2nd March, 1983, as compared to a rise in the FT Ordinary Index of 34.0%. The estimated gross annual yield was 6.55% on an offer price of 85.0p on 2nd March, 1983. For investors who are seeking a higher income than average from equities, with good prospects of capital growth.

WORLDWIDE RECOVERY FUND—Launched on 23rd January, 1982, the offer price of units has risen by 38.4% as at 1st March 1983, as compared to a rise in the FT Ordinary Index of 12.4%. The current value of the Fund is over £11 million. For investors looking for a higher risk/reward ratio.

N.B. Growth and Worldwide Recovery Fund figures to 3rd March 1983 and 1st March 1982 respectively on offer to other investors who have not invested in the FT Ordinary Index. Change takes no account of re-invested income.

TAXATION CAN HARM YOUR WEALTH—Investors large and small who are aiming for maximum capital growth benefit by investing in an actively managed international fund which suffers no liability to Capital Gains Tax until units are sold. Larger investors in particular increase their potential for growth because funds which might otherwise be used to meet Capital Gains Tax continue to be invested on a compounding basis whilst they are switched from sector to sector and country to country.

...and, among the smaller groups, Perpetual continues to show its staying power in achieving a consistently above-average performance.....

The Sunday Telegraph January 2, 1983

Why not send for details?

To: Perpetual Group, 48 Hart Street, Henley-on-Thames, Oxon RG9 2AZ. Tel: (04912) 6868.

Please send me details on:

- ☐ Growth Fund
- ☐ Income Fund
- ☐ Worldwide Recovery Fund
- ☐ Savings Plan
- ☐ Share Exchange

Name (Mr/Mrs/Miss)

Address



TOUCHE REMNANT

Consistent Growth—the first priority

The core investment

All investors need a secure and growing foundation for their investment portfolio. The kind of investment that is professionally managed and does not require constant monitoring to determine the correct stock market and sector blend.

The TR General Growth Fund offers investors precisely this core investment. Concentrated largely in the United Kingdom, with the balance in the United States and Japan, the portfolio is invested in companies with strong balance sheets, vigorous management and the ability to generate a high level of internally financed growth.

Touche Remnant management

With a research approach applied to business sectors and companies on a worldwide basis, Touche Remnant is totally geared to identify the right sectors, and the right stocks within these sectors.

Our investment strategy is based on thorough fact finding and research. From one of the largest and most experienced research departments in the City, Touche Remnant teams collect and interpret data from 22 of the world's major financial centres and hundreds of international companies. Managers and analysts regularly visit overseas markets for first-hand information. Long-standing relationships with bankers and brokers in the major financial centres are another source of vital information. International advisory boards, composed of leading business and financial figures from North America, Europe and the Pacific Basin, contribute their special experience.

As one of the largest and most respected investment managers in the United Kingdom, Touche Remnant has more than £1,700 million under management.

GENERAL INFORMATION

DEALING IN UNITS: Units may be bought or sold on a weekly basis on Fridays. Prices and yields are published in leading national newspapers. CHARGES: A preliminary charge of 5% is included in the price of the units. Annual management charge of 1% plus VAT, at the value of the fund is deducted monthly from the fund. COMMISSIONS: Remuneration to professional advisers (on application) will be paid by the manager. INCOME DISTRIBUTION: Income will be paid half-yearly on 28th February and 28th August, and will be accompanied by tax credit certificates which will enable investors to claim the credit on their tax returns. The distribution will be on 1st August 1983. CAPITAL GAINS TAX: Anticipated unit price is expected to rise on capital gains and interest. Individuals can receive a capital gains exemption of £10,000 from any source in any one year without incurring capital gains tax. MANAGERS: Touche Remnant Unit Trust Management Limited, 72/80 Gatehouse Road, Aylesbury, Bucks HP19 3EB. (London 01-494 7333). (Registered Office: Registered Number 729333. The Managers are members of the Unit Trust Association, TRUSTEE: William & Carter Bank plc. AUDITORS: Touche Remnant & Co.

Touche Remnant Unit Trust Management Limited, 72/80 Gatehouse Road, Aylesbury, Bucks HP19 3EB. For dealing—telephone: Aylesbury (0296) 5941.

1/We wish to invest £_____ in TR General Growth Fund at the price ruling on the Subscription Day following receipt of this application. (Minimum investment is 2,000 units or £500, whichever is less).

Please tick box if you wish net distributions to be reinvested in further units ☐

A cheque is enclosed made payable to Touche Remnant Unit Trust Management Limited.

This offer is not open to residents of the Republic of Ireland. BLOCK CAPITALS PLEASE

Surname: Mr/Mrs/Miss _____

First Name/s _____

Address _____

Post Code _____

Signature _____

Date _____

In the case of joint applications, all applicants must sign and attach their names and addresses.

TOUCHE REMNANT



Now, for as little as £500, you can benefit from Touche Remnant's professional management and provide a sound basis for your investments.

TR General Growth Fund

THE OBJECTIVE — to achieve maximum capital growth together with as high an income as possible, consistent with prudent investment.

THE PORTFOLIO — the majority of the investments is currently in the United Kingdom with the balance in the United States and Japan. To achieve the income and capital objectives, investments are concentrated in industries and companies which offer prospects of sustained real growth.

THE YIELD — the current gross income yield is estimated at 4-5% per annum.

How to Invest

The offer price of units is fixed on Friday (the Subscription Day) of each week. As a guide, the offer price for the TR General Growth Fund on Friday, 18th March 1983, was 27.5p.

To invest, simply complete the coupon below and return it with your cheque. A contract note will be sent to you, following the Subscription Day, showing the number of units you have purchased. The minimum investment is 2,000 units or £500, whichever is less.

Remember, the price of units and the income from them can go down as well as up. Investments should therefore be regarded as medium to long term.

YOUR SAVINGS—BUDGET SPECIAL

Bridging the generation gap with the life companies

IN PREVIOUS years, the Chancellor has been helpful to the savings industry. He has provided them with a series of concessions and benefits in his Budgets, especially regarding self-employed pensions, this giving the life companies and savings institutions a ready-made marketing strategy for the next 12 months.

This year's Budget, however, has nothing specific, so marketing strategies will have to concentrate on the virtues of existing schemes. But there are two features in the Budget which should enable planners to place more emphasis on those existing virtues.

The first feature is a negative in that it relates to what Sir Geoffrey did not say. His speech made no reference to any clampdown on life companies. So nothing is happening yet over the controversial Capital and Income Bond.

The bonds consist of an artificial combination of single premium term assurance, annuities and a regular premium life policy. The premium on the life policy is a nominal £1, the remaining lump sum is used to buy the term assurance. But the whole investments buys units under the life policy.

Such a combination produces a highly tax-efficient lump sum savings scheme compared with the normal life bond. Income up to 10 per cent of the investment can be taken free of tax. The bond can be cashed in after 7 years free of all taxes.

The Revenue is well aware of the existence of these schemes and how they work because the Life Offices Association has mentioned them when discussing secondhand bonds.

Legislation to stop second-hand bonds will appear in the Finance Bill through the Revenue got itself in a tangle in producing the legislation. But so far no mention of Capital and Income bonds.

The unit-linked life companies, which market these bonds are cock-a-hoop over this omission. Trident Life in its Budget Bulletin refers to a clean bill of health being given by the Chancellor.

Sales of the bonds have been extremely buoyant—the Life Offices Association industry sales figures for the final quarter of 1982 showed linked bond sales doubling because of these bonds. These companies will now be promoting them even more strongly.

The establishment, as represented by the LGA and the Associated Scottish Life Offices, is disappointed by this omission. It has a gentlemen's agreement with the Revenue

not to market tax avoidance schemes and adherence to this agreement is costing them a considerable amount of linked-life business.

The subject will almost certainly be discussed at the next ASLO meeting on Friday and the LGA meeting on Monday week. The outcome could be a joint letter to Nicholas Ridley, Treasury Financial Secretary, saying that in the absence of any comment or action they will assume that it is acceptable for their member life companies to market Capital and Income Bonds. Some established life companies are fed up with waiting for the Revenue to make up its mind.

Children's schemes: The positive feature in the Budget which life companies intend to turn to their advantage is the generous treatment of tax thresholds and Child Benefit Allowances.

The 14 per cent increase in the single person's allowance

Life companies could well step up their marketing of these covenant schemes. But it should be noted that the money can be saved through a building society, the investment account of the National Savings Bank or directly in unit trusts. It does not have to be via a life policy.

The Chancellor has also been less cautious this time in lifting the Child Benefit Allowance by 11 per cent—twice the inflation rate—to £6.50 a week from November 1983. For many families in or hovering around the poverty trap, this increase is sorely needed.

But many other families do not need to take these allowances into the weekly income. Many mothers collect the benefit as and when they remember to call the Post Office.

Trident Life points out that for these families, the allowance can be saved for the ultimate benefit of the child, through a life policy—and it is promoting its Children's Wealth Plan. A sum of £26 every four weeks is a worthwhile premium, boosted by the tax credit.

Collection of the social security benefit is being made simpler under the Automatic Credit Transfer system, known as ACT. This will apply to Child Benefit Allowances later this year if the Department of Health and Social Security keeps to its schedule.

Under ACT, mothers will have the option of having the allowances paid every four weeks or every 13 weeks in arrears into a bank or building society account. There will be no need for the mothers to go to their nearest Post Office with their benefit books and draw cash.

Life companies like premium payments to be made by direct debit, or similar credit transfer arrangements. ACT offers them such a means for these child saving plans with the Child Benefit Allowance.

Since these children are not paying tax the ideal investment is a fund which pays interest gross such as the Investment Account of the National Savings Bank or where tax can be reclaimed such as a unit trust. But these media rarely promote children's schemes and its left to life companies and more especially the building societies to design special children's schemes.

Certain building societies have been promoting children's savings schemes—Abbey National with its Mickey Mouse theme, Bristol and West through Snoopy, and Cheltenham and Gloucester with Paddington Bear.

The scope of these schemes can be extended by the Child Benefit payments, especially if the money is already in a building society account. Investment in a building society more flexible than with a life company.

There are however two administration problems. The building societies cannot canvass for ACT accounts. And, where there is more than one child, the mother has to have payments made into one account.

CHILDREN'S SCHEMES

ERIC SHORT

to £1,785 means that children's covenant schemes are that much more valuable.

Under current tax legislation, a child can now receive an income up to £1,785 a year without the child or its parents incurring a tax liability, providing none of the income has come from the parent. If this income is gifted under a covenant, the donor can deduct tax at basic rate from the gift thus reducing the net cost, and the child can reclaim the tax.

The costs are calculated as follows:—

	£
Amount gifted	1,785
Less tax at 30%	535.50
Net cost to donor	1,249.50
Tax reclaimed by child	535.50
Gift received by child	1,785

So these covenant schemes are a tax efficient means for children receiving income from relatives or grandparents, or family friends such as godparents. The drawbacks are simply administrative ones. The parent, acting on behalf of the child, has to reclaim the tax each time a payment is made and invariably there is a time delay.

Many people making these gifts do so in the expectation that the child will save the money received accumulating a

Deep thinking

THE INLAND REVENUE this week issued rules for the tax treatment of privately issued deep discount bonds, which could mean that they will soon be making an appearance on the London stock market. So far only the Government has issued such bonds in the UK, with various tranches of low coupon gilts aimed at high rate taxpayers.

There was a modest vogue last year for zero coupon dollar bonds in the U.S. and the Euro-markets, the idea being that investors go without income but wait for a big capital gain on redemption (with the option of selling in the market at some intermediate time).

The big potential attraction of such zero coupon bonds for British investors was that the gains might have been chargeable only to capital gains tax at 30 per cent less indexation abatement rather than to possibly higher rates of income tax. But the Inland Revenue has now knocked this possibility on the head. The basic annual accrual towards final redemption will be chargeable to income tax. So will anybody be willing to buy such bonds when they begin to appear?

There will be a very different proposition from low coupon gilts, which are free of capital gains tax if held for more than a year, and are liable to income tax only on the modest coupon. So like index-linked gilts, low coupon gilts can be an interesting proposition for private investors on high marginal income tax rates.

Conversely, zero coupon corporate bonds could prove very unprofitable investments for high rate taxpayers who might be liable to pay anything up to 75 per cent tax (including investment income surcharge) on gains at maturity, a problem made worse by the way that the gains will tend to be bunched all at once (though it would be possible to sell in stages in the market near maturity and spread the income over several tax years).

In certain circumstances, however, the fact that the income is being deferred

A Company registered with limited liability in Jersey under the Companies (Jersey) Law 1981 in 1982. The Shares of each class of the Company have been admitted to The Stock Exchange Official List.

CURRENCY FUNDS

Investors may subscribe for Shares designated in the following currencies:

Deutsche Marks Sterling

Swiss Francs US Dollars

Shares in the Currency Funds are designed for investors who wish to keep their cash reserves matched in a particular currency. They may be converted from one Fund to another on any Dealing Day without the Company making any charge.

Investments for each Currency Fund will at all times be matched in the relevant currency and held mainly in the form of bank deposits.

MANAGED FUND

Managed Fund Shares will enable investors to achieve high returns through an investment in major currencies under professional management. Managed Fund Shares are paid up in Sterling but will be invested in a selection of major currencies. The Managers will aim to maximise growth by selecting those currencies which will provide the highest returns, taking into account both exchange and interest rates. Although the Managers will diversify their holdings to minimise the risk of adverse movements in exchange rates, it must be recognised that the price of Shares may go down as well as up.

Objectives: To provide investors with:

- ☐ The advantage of dealing in large amounts
- ☐ Security of capital
- ☐ Ready availability of funds
- ☐ Professional management

Distributions: All interest will be accumulated and reinvested; no dividends will therefore be paid.

The Managers are part of Hill Samuel Investment Management International, the overseas investment arm of the Hill Samuel Group, which is a major financial institution based in London with assets under advice and management of over £4,500 million.

For copies of the Prospectus (on the terms of which alone, applications may be considered) and the Application Form, please use the coupon below.

Hill Samuel Fund Managers (Jersey) Limited

7 Bond Street, St. Helier, Jersey, Channel Islands. Telephone: 0534 76029

Telex: 4192260

Please send me a copy of the Prospectus of the Hill Samuel International Currency Fund Limited

NAME _____ FT19/3/83

ADDRESS _____



TYNDALL EUROPEAN FUND LIMITED

At their meeting on 10th March 1983 the Directors of Tyndall European Fund Limited approved the interim report for the 3 month period ended 13 January 1983, during which time the company's distribution shares rose in value by 18.7%. An interim dividend of 1p per distribution share was paid on 31 December 1982 to shareholders registered on 15th November 1982.

The Chairman commented that the victory of Herr Kohl in the German elections had significance for the Frankfurt stock and bond markets and for the company with its substantial exposure to the German market. The benefits of a stable Government operating free market policies would give support to the Deutschmark which, in turn, should enable the Bundesbank to lower interest rates in due course. Similarly, the Dutch and Swiss markets would benefit from currency strength and interest rate falls. Furthermore, the French market might provide opportunities for selective investment, once the expected devaluation of the French Franc has taken place.

The geographic spread of the portfolio on 7th March 1983 was as follows:

	%		%
Germany	53.5	Denmark	3.5
Holland	13.0	Norway	3.3
Switzerland	20.0	Cash	6.7

Copies of the interim report 1983 can be obtained from the company at 2 New Street, St. Helier, Jersey, C.I.

It's true. Money does make money

Once upon a time, there were two rabbits. Now look how many there are. Unfortunately, unlike rabbits, your money won't multiply when left alone.

Certainly not quickly enough to beat inflation. What is needed is something more. That something is the Winchester Life Currency & Gold Bond which is invested in the Dunn & Hargreaves Currency & Gold Pool with a proven track record which has produced +111% for its clients since January 1979.

Write for further information to: Dept FT193, Winchester Life Assurance Services Ltd., 39 St. James's Street, London SW1. Tel: 01-4997359. Telex: 23852 HOMSY.



A registered company which does not and is not authorised to carry on any part of the business of a life assurance company in the United Kingdom. It is licensed to carry on the business of a life assurance company in the Channel Islands and the Isle of Man. It is licensed to carry on the business of a life assurance company in the Cayman Islands and the Bahamas. It is licensed to carry on the business of a life assurance company in the Falkland Islands and the South Georgia Islands. It is licensed to carry on the business of a life assurance company in the Gibraltar and the British Overseas Territories.

"Commodities for the Cautious Investor"

This is a university based research study which describes a new and exciting low risk concept for successfully managing funds in the future markets, which now include currencies and government securities.

All investors, including those who have never considered investing in these markets, should read this report.

It is published by Broad Court Investment Management Limited.

Please John Matthews on 01-492 4294, for your FREE copy or complete the coupon below.

Please send me a free copy of "Commodities for the Cautious Investor"

Name _____

Address _____

Broad Court Investment Management Limited

Financial House, Mincing Lane, London EC3M 3PP

U.K. CONVERTIBLE STOCK 19/3/83

Name and description	Size (£m)	Current price	Terms*	Conversion dates†	Flat yield	Premium‡			Income§			
						Red yield	Current	Range‡	Equi	Conv‡	Div‡	Current
British Land 12pc Cv 2002	9.60	309.50	333.3	80-97	3.9	0.7	2.6	- 4 to 8	29.7	86.7	13.9	+16.3
Hanson Tr 84pc Cv 01-06	31.64	202.00	107.1	88-01	4.8	2.7	- 3.3	- 4 to 7	115.8	71.9	-21.0	-17.7
Slough Ests 10pc Cv 87-90	5.03	228.50	234.4	73-84	4.4	- 4.4	-13 to -4	17.9	9.4	- 3.5	+ 0.9	
Slough Ests 8pc Cv 91-94	24.72	108.00	97.5	80-89	7.5	7.0	8.6	4 to 12	29.2	34.7	5.5	- 3.1

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ A three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is assumed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible stock, income is assumed until conversion and present valued at 12 per cent per annum. ¶ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ¶ The difference between the premium and income difference expressed as per cent of the value of the underlying equity. + is an indication of relative cheapness. - is an indication of relative dearth. § Second data is assumed date of conversion. This is not an indication of relative cheapness.

Handwritten signature or mark.

LANGUAGE COURSES

There are hopeful signs that British management is doing something to improve its poor performance in the ability to speak foreign languages

Drive for linguistic skills

ANY PSYCHIATRIST given the evidence, could be forgiven for deciding straight away that the British must suffer from linguistic schizophrenia.

No nation in the world has been nearly as successful in developing techniques for teaching its native language to foreigners as Britain's specialist schools have been in helping overseas people to speak English. But at the same time no other nation could have been less successful than the British in getting its own citizens to speak foreign tongues.

A determined optimist seeking signs that this country's interest in learning foreign languages is awakening might draw some hopeful evidence from the accompanying table. It shows entries over the years in the annual examinations organised by the London Chamber of Commerce for people studying other tongues as practical tools of communication.

The emphasis of the exams, which are taken mostly by older people, is on the use of the language concerned in the course of employment. A pass at the elementary level represents the skill needed to use the language in answering a routine inquiry by telephone or in coping safely if not smoothly

with the basic needs of a visitor to the country in question.

An intermediate pass signifies the possession of a standard commercial vocabulary and sufficient specialist words to undertake routine business negotiations with a co-operative counterpart in the other country, and to do a limited amount of social mixing. The advanced level represents ability to cope fairly easily with a wide range of business and general conversational topics.

Looking at the table, the determined optimist could certainly feel cheered by the increase from 890 to 1,275 between 1981 and last year in the entry for the elementary level exams. But that is just about the only objective evidence there is of an increase in foreign-language-learning by British employees.

Fewer entries

At the two higher levels, the entries are down. And even the 1,275 at the preliminary stage was exceeded in 1973 and 1974 only to drop off again in the following years. (The four most popular tongues, by the way, were French with 647

entries at elementary level, 375 at intermediate, and 65 at advanced; German with respectively 462, 148 and 30; Spanish with 107, 44 and 10; and Italian with 28, 13 and none. The only other language with a double figure entry at any level was Swedish with 13 elementary candidates.)

But there are nevertheless certain other signs of hope that Britain may be on the way to escaping from its general incompetence where foreign language skills are concerned. One encouragement is the British Overseas Trade Board's efforts to spell out to senior managers the evidence that language skills improve prospects of export sales, but also in combining with other associations in a campaign to have foreign tongues taught more widely as tools of practical communication in the schools. An example is the series of regional conferences now in train to persuade sixth-formers

to continue studying languages even though they may not intend to take them for the GCE Advanced-level examinations.

Another encouragement is recent reports from some teachers of foreign languages that the deepening recession has led to a noticeable, if still slight, increase in some managerial workers' interest in improving their linguistic skill. And coupled with these reports is an apparent increase in the number of foreign-language teachers offering courses, backed up by personal instruction tapes and other services, in highly specific uses of an overseas tongue.

The concentration of training now available on the market goes well beyond courses in, say, the French of engineering design or the German of data-processing. Other examples include programmes enabling people going to run exhibition stands overseas to learn how

BY MICHAEL DIXON, Education Correspondent



to explain their products in the language of the country concerned. But the teaching programme which must surely win the prize for specificity is one put on not long ago by Warley College of Technology in the Midlands.

Approached by the head of a local business anxious to recover a debt owed to him by a company in France, the college's language staff helped him to translate his arguments and to voice them in the French of persuading people to pay up. Since he came back from his subsequent brief trip across the Channel with the money in hand, the language-learning exercise paid off.

Such highly specific teaching programmes—which unlike the intensive general courses that have for long been a feature of foreign-language teaching, seem to have been borrowed from the schools teaching English for special purposes to people from abroad—is hardly likely to be approved by teachers of languages in the schools.

There, despite some predominantly local initiatives to enable children of all kinds to converse in another tongue, the main emphasis remains on teaching languages as something to be academically examined rather than as a tool for communication about practical matters. That emphasis may well explain why, for every British person who has toiled for long hours acquiring

the ability to read Racine or Goethe, one would be hard pressed to find a couple able to cope without embarrassment with any relatively complicated situation which cropped up during a visit to France or Germany.

As one of the tongue-tied 30 per cent or so, who has a good grade at Advanced level but lacks the confidence to volunteer much more than "good morning" and "thanks" in French, I feel that the schools' traditional emphasis on the cultural aspects of foreign languages is perhaps misplaced. No matter what academic benefits I might have foregone if my teachers had instead taught me the French of everyday conversation, they could not have been less successful in enabling me to get full enjoyment from my visits to France.

What is more, there seems no reason to believe that people initially equipped with conversational ability would be any less motivated than those taught foreign languages in the traditional way to improve their knowledge of the history and other cultural aspects of the countries in question. So it may be that the main hope for the development of linguistic skills in Britain lies in the willingness of schoolteachers also to learn from their counterparts who train foreigners in English for special purposes and likewise put practical competence before cultural pretensions.

LONDON CHAMBER OF COMMERCE FOREIGN LANGUAGE EXAMINATIONS

	Elementary entries	Intermediate entries	Advanced entries	Total entries	% passed
1972	1,088	556	166	1,820	77
1973	1,383	505	136	2,027	77
1974	1,384	464	143	2,001	82
1975	1,145	439	157	1,741	84
1976	1,109	512	166	1,787	85
1977	1,207	550	266	2,023	86
1978	1,137	593	266	1,996	85
1979	1,061	475	151	1,637	85
1980	1,082	488	152	1,722	90
1981	990	614	141	1,745	91
1982	1,275	587	138	2,000	83

A disadvantage English-as-a-Foreign-Language schools would like to see removed

VAT puts schools out in the cold

THE GOVERNMENT'S decision last month to spend an extra £25m of taxpayers' money to attract more overseas students to Britain, was greeted by hollow if not cynical laughter in a good number of schools in this country.

The schools in question specialise in teaching English as a foreign language (or EFL, for short) to people from overseas. For the most part these schools are small, private business enterprises of the kind which the Government has publicly pledged itself to support.

They, like other taxpayer-funded, will contribute to the extra public spending on foreign students, not least through the 15 per cent value added tax the bulk of the schools are charged on their fees which at a modest estimate represent overseas earnings to Britain of at least £100m a year.

But the VAT-paying private language schools are receiving quite the opposite of benefit from Government actions. It is primarily the colleges, polytechnics and universities of the State education service that will gain from the new public spending, which with the addition of a further £25m diverted from other kinds of foreign aid will boost taxpayers' expenditure on students from countries outside the EEC by £46m over the next three years.

Meanwhile most of the profit-dependent EFL organisations—with the exception of a minority which as charitable trusts are exempt from value-added tax—will go on suffering from cut-price foreign competition permitted by a loophole in Britain's system for enforcing its VAT regulations.

Loophole

The loophole enables overseas organisations to compete with the British-owned schools by offering courses in English language at various venues in this country while at the same time, by selling their courses and collecting the charges outside the United Kingdom, avoiding the 15 per cent value-added tax on the bulk of their income. For the UK is one of the few nations which charges VAT on educational services.

As earners of foreign exchange paying tax for the privilege of being undercut by foreign competition in their own home market, the British EFL schools feel the more neglected for the fact that the Government's decision to reverse its policy and be more generous to overseas students was made in response to external pressure groups.

Some of these were associations of British academics and other interests, including big companies, objecting to the decline in the number of students from outside the EEC entering the university sector in particular since 1980 when



Concentration in the Executive English class at the Regent School, Brighton

unit cost of the courses concerned. But the influence which mainly accounts for the reversal of government policy was pressure brought to bear by leaders of overseas countries on Mrs Margaret Thatcher during her visits abroad, especially the recent one to Hong Kong.

By comparison with the evidently decisive levers available to the largely taxpayer-financed universities, polytechnics and colleges, the private EFL schools would seem to have no effective political mechanism to help them at all.

Although it is years since the home market for courses began to be affected by the cut-price competition from abroad, the British schools' complaints were at first dismissed by the Treasury on the apparent grounds that since the overseas organisations' VAT-avoidance was not noticeable officially—which it could not be, by definition—then officially it could not be happening.

But continued pressure by the EFL interests through their two trade associations, the Federation of English Language Course Organisations and the Association of Recognised English Language Schools, eventually persuaded the Treasury to soften its somewhat intransigent attitude.

The trade associations were asked to support their complaints by sending the Treasury evidence of English-language courses being run in this country by means of the tax loophole. The evidence, covering some 40 such operations, was duly handed in last summer.

courses in temporary premises solely during the summer-holiday season were exempt from the 15 per cent value-added tax on the rent of classrooms and the cost of textbooks. The Customs and Excise had decided that these exemptions were not justified, and proposed to rescind them from the end of last August.

The back-handed nature of officialdom's only decisive response to the two trade associations' complaints led them to strengthen their protests. As a result, Customs and Excise has now agreed to postpone the rescinding of the two exemptions until January 1984.

This has no doubt raised sighs of relief in some British schools heavily dependent on the summer market for courses mainly in English for general use.

Holiday periods

Although schools which run EFL operations throughout the year have been concentrating in recent years more and more on teaching English for specific purposes, such as business uses, their main hopes for profit still often depend on general courses particularly for young overseas people during holiday periods.

The prices for these general programmes, including lodging and basic meals, range from about £280 to £380 for a four-week stay. But demand for the holiday courses, even if it were not the main target for the VAT-free competition, would still be markedly low by comparison with the boom times of the 1970s.

The once large annual influx from South America has been cut severely by Government measures in Mexico and Venezuela as well as Argentina, even though students are still coming from Brazil and smaller Latin American countries such as Colombia, Ecuador, Panama and Peru.

interest from Egypt and the Gulf states.

Several schools have successfully strengthened their marketing in Japan and newly industrialising countries in the Far East, such as South Korea and Taiwan. But the inflow of students from so far away is inevitably relatively small, not least because of the growing competition from Australian EFL schools. The British sector is therefore left with its main hopes vested in other European countries.

So far, demand is said to have held up well from Spain, Switzerland and France for the summer's general courses, and the British schools are fairly confident that West Germany will be sending a good number of young students now that its election doubts are settled.

Interest from Italy is being sustained, too, but one or two schools report that any growth in demand for courses in English by the Italians is going largely to the U.S. despite the higher cost of travel entailed.

The outlook is therefore far from rosy, particularly for British schools too small to offer tuition in small groups for overseas managers and other high-rank employees wanting to learn the English of specific aspects of their work.

That is not to say that large numbers of the UK's EFL companies are threatened with imminent bankruptcy. Forecasts of a savage thinning out of smaller schools have been made wholesale since the end of the boom demand a few years ago, but most of the organisations have managed to keep going somehow. Closures are estimated to have been at most about 5 per cent.

As close to a language as you can get!

Learn English at Eurocentres and Davies's Schools of English in London, Cambridge, Bournemouth, Brighton, Torquay, Oxford, Edinburgh and Dublin.

- Our courses last from 2 weeks to 6 months. 15 or 30 lesson-periods a week.
- You can prepare for Cambridge, Oxford, ARES, London Chamber of Commerce and RSA exams.
- Teachers' Refresher Courses in summer and at Easter.
- Special courses for special groups on request.
- Accommodation in selected families.

We are a non-profit-making foundation and offer high-quality at reasonable cost. Learning English with Eurocentres/Davies is enjoyable — you live in a new environment, make new friends — and profitable — good knowledge of English helps in most professions.

(We also teach French in Paris and Lausanne, German in Cologne and Zurich, Spanish in Barcelona and Madrid, Italian in Florence.)

Write for our prospectus to: EUROCENTRE Lee Green, 21 Meadowcourt Road, London SE13 9EU. Tel. 01-318 5633

EUROCENTRES

Manchester Business School University of Manchester

Parlez-vous français? Sprechen Sie deutsch?

Speak French, German, Spanish or Italian the effective businesslike way. Practical courses (beginners to advanced), individual or group.

Times to suit your work needs.

* New series starts shortly

For full details, please complete the following and return to: Michael Woodhall, Director, Language Learning Centre, Manchester Business School, FREEPOST, (no stamp required), Manchester M15 5QA. Telephone: 061-273 8228 Ext. 243

Name _____
Position _____
Co. Address _____
Tel. No. _____

PURLEY LANGUAGE CENTRE Ltd ENGLISH FOR FOREIGNERS

Classes Beginners to Advanced Level
Tailor-made Business Courses
MODERN LANGUAGES
French, German, Italian, Spanish, etc.

24 and 26-week SECRETARIAL COURSES
15-week Course for Graduates

Next Courses commence April 12 and September 6

Telephone or write for details:
3 High Street, Purley, Surrey

01-660 2568 01-668 5778 Telex: 943763 Crown G. ref. Purley

WANT TO SPEAK FRENCH?

You can, through the "TOTAL APPROACH" to French — a unique 4-week programme on the Riviera. COMPLETE ALL-DAY IMMERSION, ONLY IN FRENCH: only 5.30-17.00. With 2 meals, in small groups. Audio-visual Classes, Language Lab, Practice Sessions, Discussion-Lunch, Excursion, Lodging in private apartments included. For adults, 8 levels: from beginner 1 to advanced 8. Next 4-week immersion course start April 5, May 2 and all year. Years of research & experience in the effective teaching of French to adults.

INSTITUT DE FRANCAIS - FTCT19
23 Av. Général-Leclerc, 06230 Villefranche-sur-Mer - Tel: (93) 80.86.61

Which of these languages would you like to speak?

Tick the one you want to speak in 3 months' time

- | | | |
|---|---|--------------------------------------|
| <input type="checkbox"/> Afrikaans | <input type="checkbox"/> German | <input type="checkbox"/> Malay |
| <input type="checkbox"/> American | <input type="checkbox"/> Greek | <input type="checkbox"/> (Bahasa) |
| <input type="checkbox"/> Arabic | <input type="checkbox"/> (Intermediate) | <input type="checkbox"/> Norwegian |
| <input type="checkbox"/> (Modern) | <input type="checkbox"/> (Modern) | <input type="checkbox"/> Polish |
| <input type="checkbox"/> Chinese | <input type="checkbox"/> Hebrew | <input type="checkbox"/> Russian |
| <input type="checkbox"/> (Mandarin) | <input type="checkbox"/> (Modern) | <input type="checkbox"/> Serbo-Croat |
| <input type="checkbox"/> Danish | <input type="checkbox"/> Hindi | <input type="checkbox"/> Spanish |
| <input type="checkbox"/> Dutch | <input type="checkbox"/> Icelandic | <input type="checkbox"/> (Castilian) |
| <input type="checkbox"/> English | <input type="checkbox"/> Indonesian | <input type="checkbox"/> Spanish |
| <input type="checkbox"/> (Intermediate) | <input type="checkbox"/> Irish | <input type="checkbox"/> (Latin) |
| <input type="checkbox"/> English | <input type="checkbox"/> Italian | <input type="checkbox"/> American |
| <input type="checkbox"/> (Advanced) | <input type="checkbox"/> Japanese | <input type="checkbox"/> Swedish |
| <input type="checkbox"/> Finnish | | <input type="checkbox"/> Welsh |
| <input type="checkbox"/> French | | |
| <input type="checkbox"/> (Intermediate) | | |



Linguaphone The first word in languages.

FREE INTRODUCTORY RECORD OR CASSETTE

Please send me my free introductory pack on record/cassette, complete with full colour brochure. I am interested in learning French/German/Italian/Spanish/other language (please state).

I would like information on the new French video programmed I am interested in the business executive programme.

Mr/Ms/Miss _____
Address _____
Age if under 18 _____

Send to: Linguaphone Institute Ltd, Dept FT05, 209 Regent Street, London W1R 8AL

Château LAVAL

LEARN AND SPEAK FRENCH ON THE COTE D'AZUR

1) FRENCH FOR BUSINESS (Individual tuition, Min: 1 week)

2) SUMMER COURSES for Adults and University students over 16 (5 weeks from Easter to October) Full board at the Château Laval in ANTIBES. Please apply to:

SKOLA
27 Daleney Street, Regent's Park, London NW1 7JX
Tel: 01-387 0654/01-388 0632

14, Route de la Badine 06800 Antibes

EURO-JAPANESE EXCHANGE FOUNDATION
"Centre for Business Communication"

Intensive Business Japanese Courses
Familiarisation Courses on Japan for Businessmen
Intensive Business English Courses

Enquiries to:
EJEF STUDY CENTRE
Lane End, nr. High Wycombe, Buckinghamshire
Tel: High Wycombe (0494) 882091 Telex: 83654 EJEF LE

ENGLISH AS A FOREIGN LANGUAGE

* FOR SPECIFIC PURPOSES
* GENERAL AND EXAMINATION COURSES
* HOLIDAY COURSES

For your Overseas Customers, do visit over:

- Need to include an English Language training element in your training programme
- Recommended on English Language training course for personnel in your overseas office?
- Support a suitable course for the children of your overseas clients?

If so, then contact us. Anglo World Education, with courses open throughout the year in Birmingham, Cambridge and Oxford. The Anglo and Felo members having been recognised as efficient by the British Council.

Call, Telex or write for full details to:
THE MARKETING MANAGER
ANGLO-WORLD EDUCATION LTD
136 Pease Road, Westbourne
Telephone 0252 760808 Telex 41187 AWEDUC

ST. GODRIC'S COLLEGE LONDON

Courses in English
Business Studies
Secretarial Courses and Language Training
Resident and Day Students

2 Arkwright Road, London NW3 6AD, England.
Tel: 01-435 9831 Telex: 25589

LEARN ENGLISH SUCCESSFULLY IN LONDON

Beginners to Advanced
Accommodation Arranged
SELS COLLEGE

64-65 Long Acre, Covent Garden, London WC2E 9JH
Telephone: 01-240 2581
Telex: 268122 Weston G. Airtel 561
5 to 9 STUDENTS IN A CLASS

POLYTECHNIC OF CENTRAL LONDON

SHORT COURSES ARRANGED FOR ANY LANGUAGE

Regular courses in 30 languages
Individual tuition if required

Enquiries:
01-486 5811 ext. 7254/7256/6446
9-15 Euston Centre, NW1 3ET

FRENCH INSTITUTE

Bilingual secretarial studies (1 and 2-year full-time courses). Also courses in French language, commercial French, civilisation, translation, preparation for degrees in French studies (Lilla University), literary, films, lectures.

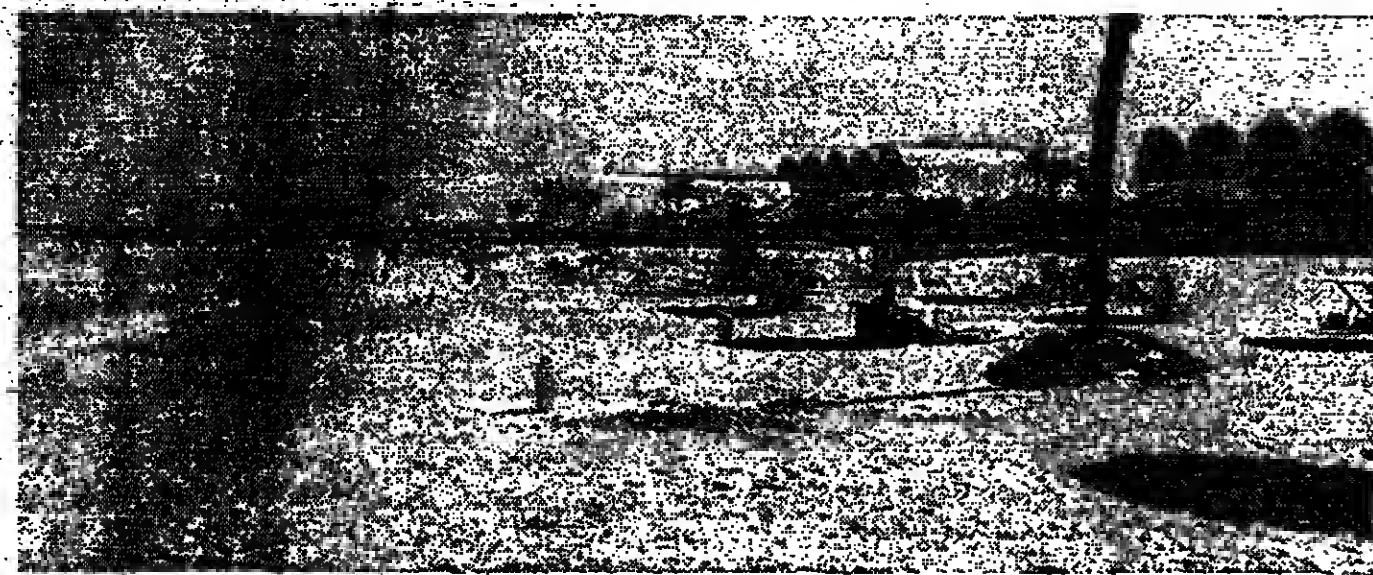
14 Cromwell Place, London SW7 2JH

WE'LL TEACH YOU THE FRENCH YOU NEED FOR YOUR BUSINESS

For interview and free lesson please phone:
P.L.S. 01-672-6921

LEISURE

Flight of fancy to Tunisia



Beaches and hotels on Jerba, Tunisia

TRAVEL

FRANCIS GHILES

HAZIBET EL AHLEM was better known to Ulysses as he wandered back all those years ago from Troy to Ithaca, as the island of the Lotus eaters. The Arabs called Jerba the island of dreams and to land there in mid-winter, after a three hour flight from Europe, is, in many ways a flight of fancy.

This very flat island which lies south of the city of Dax, close to the Libyan border, dotted with palm trees and surrounded by shallow waters, is crowded with foreign tourists during the summer months. But in January, little German or French is to be heard and it provides a pleasant and practical gateway to exploring southern Tunisia.

It boasts one of the best hotels in the country, the Jerba Menzel, which is also famous for its fine cooking. Preparing fish is a Tunisian speciality and the Menzel's "paté de poisson cherd" is worthy of any first class Paris restaurant.

For those not satisfied with strolling on warm, deserted beaches, there is a 2,500 year old synagogue at El Ghriba.

From Jerba, a three hour drive to the south takes one to Tataouine. The area boasts some rather primitive Berber villages such as Chentini, half a day out of the rock at the top of a narrow ridge, and all but invisible to the visitor until a few hundred yards away. South of Tataouine, ruined ksars, fortresses where grain was

stored in times of war by neighbouring villages and tribes lie in ruins, a reminder of sterner days.

North of Tataouine lies the town of Matmata where, on first inspection, traditional dwellings look like lunar craters, dug out of the bowels of the earth. The central courtyard thus lies open to the sky, about 40 feet below ground level, with a warren of rooms, all underground, giving on to them. Scenes of "Star Wars" were shot here, which hardly comes as a surprise.

Hotels have been set up in some of the old dwellings, which are simple and clean, but a little cold in winter. Indeed, as soon as one drives inland the temperature falls to around freezing point at night, while during the day it can easily reach 20 degrees Celsius. Jerba is milder, especially at night. In spring and summer, however, Matmata hotels must provide the perfect place to rest after a day in the heat.

Four hours west of Matmata lies the oasis of the Neftoua, the largest of which is Douz. It lies south of the great salt lake of the Chott El Djerid and has preserved an architectural unity not always found in Tunisia: low huddled houses, often

with domed roofs, of brown stone and clay which blends with the desert colours.

Every mid-winter, its folk festival brings a few days of dancing, singing and camel fighting, the remainder of a fast vanishing culture.

Hotels in Douz are simple, but as elsewhere in the south, clean and friendly. Tunisians here are less spoiled than on the coast where thousands of foreign visitors swarm in summer months and desert people are always more soft spoken than their northern coastal brothers.

Sunset on the Chott round Douz mixes colours in totally extravagant manner: the salt-covered sand looks like frozen snow while the dark green date palms stand out against electric blue sky tinged with the mix of pink, orange and mauve which only the desert can provide.

The Sahara Palace, which was overrun while I was there with very smooth looking senior officials when President Bourguiba arrived in the hotel for a week's rest, dominates the sumptuous oasis which stretches as far as the eye can see. On closer inspection, half the garden in the oasis are abandoned but running water and the warm clear air make walking a pleasure indeed.

The food provided at the Sahara Palace is excellent at lunch: a truly sumptuous cold and hot buffet mixing Tunisian kebabs and salads with French food is set up around the swimming pool. In the evening, however, the food provided indoors

is not very satisfactory. Here as elsewhere, wine is always available—it is excellent.

If Nefta for a few days is really too quiet, and there is nothing else to do but rest in the warm winter sun, a trip north to Tamerza will take you through crumbling mountains, the tail end of the Atlas range which stretches across North Africa to Marrakech.

As the narrow road turns and twists on its way up, the feeling creeps over one that this must be the end of the world. Tamerza at sunset must be some people's idea of paradise.

The hotel here is constituted of huts, Club Med style, sitting on a ridge over a cascade. Below lies a long narrow oasis overlooking the ocean and pink mountains. It is all so quiet, so far away from frozen Europe, and at such a reasonable price.

In mid-winter with pension complete and flight inclusive, a week-long tour of the south, which would be reached by road from Tunis as there are no direct flights at that time of the year from London to Jerba, are available from £330. Tunisian Tourist Office, 72, Stafford Street, London W7, tel 469 2234.

For those wishing to travel individually, one week inclusive of demipension, in the south, staying four nights in the Jerba Menzel and the Sahara Palace, would cost approximately £283. Renting a car with unlimited mileage would add a further £171. More information from The Tunisian Travel Bureau, tel 01-373 4411, 1, Colchester Road, London SW10.

We all go buy 4x4

LAST YEAR it was turbochargers galore at Geneva: this year, four-wheel drive. Everywhere one looked at the Geneva Show there were cars and utilities of all shapes and sizes but with one feature in common—transmissions that spread the engine's power among all four wheels either permanently or when the occasion demands.

The old idea that a 4x4 has to be a small cross-country lorry with seats is completely dead. With some of the exhibits—the Audi Quattro and the Renault 18 shooting brake, for example—the only giveaway is the badging. Others like the Subaru, now available in Britain with automatic transmission and Toyota Tercel estates have slightly jacked-up suspension as a holdover patterned tyres as an indication of their ability off hard roads.

U.S. manufacturers have downsized their 4x4 products to acceptable European dimensions and replaced gas-guzzling V8s with four-cylinder petrol or diesel engines of as little as 2-litre capacity. And if go-almost-anywhere capability on land isn't enough, two exhibits at Geneva are amphibious. The Croc has a 30 horsepower Wankel engine, four-wheel steering and weather protection that makes a 1801 horseless carriage look quite luxurious. It is purely for off-road use. The Amphiranger, however, would suit a school of leeches as well as grumpy moors on its spread. It does up to 75 mph on the road, swims at 15 km/h (shall we say about seven knots?) and four-wheel drive plus a smooth, flat belly give it good cross-country performance.

No obstacle, say the German makers, rather optimistically, "is insurmountable" on the most difficult of terrains.

The Japanese makers, Mitsubishi and Isuzu among them, showed cross-country machines with up to eight seats, instantly convertible in some cases into camping vans.

But who, it might be asked, is having all these four wheel drives?

Obviously, farmers and sportsmen do, but families with



The new Chevrolet Corvette, a U.S.-made alternative to European supercars like Porsche.

MOTORING

STUART MARSHALL

ski chalets in the mountains are also prime prospects. "If you invest 100,000 francs in a chalet, it makes good sense to lay out another 15,000 to 20,000 francs on a modest four-wheel drive so you can get to the house without difficulty whenever you want to," an importer explained.

Less obviously, the conservationist / environmentalist "Greens" are boosting 4x4 car sales, in Germany especially.

Spiked tyres that make motoring easier on icy roads were banned by law in Germany several years ago. Now the liberal use of snow-melting salt is being frowned upon because of the damage it does to roadside vegetation and, later, to aquatic life. The answer, it turns out, is four-wheel drive—the permanent variety if you can afford an Audi Quattro, the only when-you-need-it kind if your budget extends no further than a Subaru Poot. Harry Ferguson must be spinning in his grave. He said four wheel drive would solve most motoring problems over a quarter-century ago and his power-proportioning system is still theoretically better than the kinds in use today. Like so many pioneers, he was ahead of his time.

Other exhibits that caught my eye at Geneva were the Citroën Visa Decapotable, the new Chevrolet Corvette and



The Citroën Visa Decapotable. The first four-door convertible for a very long time, it could be in Britain by autumn.

Saab's 16-valve engine Turbo. The Citroën is the first four-door convertible to go into production for more than 10 years. It can remember. Providing type approval is not delayed for any reason, it could be in British showrooms by early autumn. The price, I believe, will be about £400 more than that of the Visa saloon on which it is based, which puts it in the £1,300-£1,500 brackets.

The new Corvette is offered as an alternative to European supercars such as Porsche. It has a 5.7 litre V8 for which a surprisingly modest 205 horsepower is quoted, all-independent suspension, four-speed manual gearbox and rear wheels and tyres larger than the front ones.

Saab led the way in turbo-charging as a means of improving performance of normal saloon cars. More recently, they introduced APC (automatic

performance control) to reduce boost pressure if the engine showed signs of knocking. This allowed a high compression ratio to be retained for low speed liveliness but permitted low grade fuel to be used. Now Saab have come up with a 16 valve, twin overhead camshaft head. It gives the standard engine 10 per cent more power (160 bhp) while reducing fuel consumption by a similar amount.

Combined with an inter-cooler (a radiator that takes the heat out of the air after the turbocharger has compressed it) the engine delivers 180 bhp and can even put out 200 bhp briefly—all from two litres. This third generation turbo engine will be housed in a large fleet of cars during the next year and can be expected as a regular production feature toward the end of 1984.

Paul Jennings writes the libretto of the opera to end all opera

Die Götterdämmerung again

I CAN'T actually confirm this, but I suspect that people who have been to Bayreuth look down on those who have only got their Wagner at Covent Garden. Performances start at 4 pm or something, but the Wagnerian timelessness (or could it be just length?) which led eventually to Mahler.

Gustav Mahler

Said "Come into the parlour, this won't take long."

Just a little three-hour song is a dimension of their lives at Bayreuth: even during the short waking periods when the music isn't actually going on. Whether during great pudding dinners in the long intervals, or on mornings when curtains are cool and rain has drifted in from low green German hills after a hot summer and they gather for coffee, schneitzschnitzel and doppel-brot on the terrace, under steep, intricately-carved wooden eaves, they are all in a moony trance of leitmotif.

It is difficult to imagine people sustaining this trance if it is "continually" being interrupted by these trips home to Southgate or Chiswick. Even so, one imagines that people attending a Covent Garden Ring somehow contrive to spend more non-distressing time

among elegant white napery, polished glasses of good wine, and heavy sound-absorbent velvet hangings, and less among Tube drinks and muggers or their clear, informed, ever-deepening perceptions of the Motive of Amfortas's Suffering and the Motive of Hagen's Wicked Glees, etc. For us viewers there is, however, much we may have enjoyed one particular programme, ultimately only The Opera, of which the synopsis is roughly as follows.

Act 1. During the Vorspiel, a marvellous orchestration of the chord of E flat major which lasts for two hours, Untrübte, the Introducer of the Gods, sings at some length of what has happened and what it is to happen. Wotan, the chief God of the Air, has left the wooden hut in a fog where he has been living disguised as the Duke, for the shining new palace of Walhalla Angulduring, built for him by the giants Fafner and Tiedmolt. It is circular in shape, and, in a curious anticipation of today's cyclotron, a race of dwarfs, the Gilberthardings, by running round it at ever-increasing speed, have produced a pure nugget of Magic Smile, without which no television can hope to retain youth and vitality. But after an industrial dispute the Smile has been stolen by two other dwarfs, Ronnie Corbett and Meemees, to whom

opera service we get on the telly also includes operas not by Wagner: the whole thing fuses into a strange muddy jellidream quite different from their clear, informed, ever-deepening perceptions of the Motive of Amfortas's Suffering and the Motive of Hagen's Wicked Glees, etc. For us viewers there is, however, much we may have enjoyed one particular programme, ultimately only The Opera, of which the synopsis is roughly as follows.

Act 1. During the Vorspiel, a marvellous orchestration of the chord of E flat major which lasts for two hours, Untrübte, the Introducer of the Gods, sings at some length of what has happened and what it is to happen. Wotan, the chief God of the Air, has left the wooden hut in a fog where he has been living disguised as the Duke, for the shining new palace of Walhalla Angulduring, built for him by the giants Fafner and Tiedmolt. It is circular in shape, and, in a curious anticipation of today's cyclotron, a race of dwarfs, the Gilberthardings, by running round it at ever-increasing speed, have produced a pure nugget of Magic Smile, without which no television can hope to retain youth and vitality. But after an industrial dispute the Smile has been stolen by two other dwarfs, Ronnie Corbett and Meemees, to whom

Lieutenant Parkinson now declares his love in a passionate aria—unaware, that Tramina, disguised as Angela Rippon, is listening behind, and often on the screen.

Act 2. Untrübte, in his office in Walhalla Angulduring, looks longingly at the Helmbat, or Steersman's Bowler, as he sings of his magic ability to turn him who wears it into a Controller with power over all, including even Wogan. But once it is taken off its wearer is doomed to perpetual disappearance, no one can remember who on earth he was or what he did, and he either dies or is doomed to wander the earth for ever as a minor representative of the British Council.

Sadly, Untrübte turns from it to sing of the magic sword Rätting, embedded in a Dimbleby family tree growing up through the centre of Walhalla, and of the prophecy by the par-artist and magician Merlin, one of the race of the Gilberthardings who has returned to the upper earth, that he who removes it will recover the Magic Smile and marry Franchina, the goddess of money (sung tonight by Lady Plowden in place of Robert Robinson, who is impounded). Then, as the stage is bathed in a soft blue-green light, an off-stage chorus of camerapersons, townspeople, gypsies, panellists, women playwrights and of course monks,

sings the famous Valkyrie Eideklars as James Fenton comes to his tryst under the Horne Oak and sings a passionate duet with Anna Ford.

Act 3. It is evening at Walhalla Angulduring (naturally). Wogan, visibly older and unsmiling, is judging a collection of very old women who, as Untrübte tells us in an aside, would have been the Miss World competition before the Magic Smile was stolen. The scene now moves to the town square of Shepherds Bush, where the chorus of sailors, Equity officials, gypsies, townspeople, strikers, panellists and of course women playwrights is eagerly awaiting the Eurovision Song Contest. The dolent entry by Bigmesmer (Switzerland) is laughed off the stage when Jeremy Isaacs, bathed in a brilliant though intermittent light, comes on the back of a white swan over the mysterious waters of Chiswick Park.

Tramina, who is under-standably nervous, is received in silence. It is only after he has ridden off again on a white elephant into the gathering darkness that they realise he has left behind him the shattered pieces of Rätting, which broke when he pulled it from the tree.

Tramina falls dead with a terrible cry, but the curtain comes down on a Wogan restored to eternal youth and hailed joyfully by the chorus.

Wrong sort of sheep dog

YEARS AGO I politely asked a pedestrian on a lane which runs through my land to keep his dog from running into a field which was full of lambing ewes. The dog was not attacking the sheep but was disturbing them quite enough to make a ewe with twins clear off and leave one behind. She might or might not return to it in time to stop it dying of hunger. In any case the dog's disturbance meant more work for my shepherd putting the matter to rights.

I also warned the dog's owner that letting the dog run like this could in the end encourage it to start chasing sheep. They will nearly always run from a dog, and once dogs start chasing them they catch them and will inevitably savage them. I explained this to him, and when I warned him that a farmer was within his rights to shoot a dog attacking his sheep, he said that he would be the first to shoot the man who shot his sheep.

No one knows what really drives dogs to attack sheep. I have known a number of worried in my time and they are not confined to any breed or cross. The worst cases I have suffered have been dogs hunting in pairs, and these have included terriers, labradors, an Airedale, collies and a foxhound. They seldom kill to eat their victims, slaughtering for the sake of it. They are often household pets whose owners cannot believe that they can change their natures so swiftly from tale-wagging affection to vicious cunning.

They usually start this behaviour from a period of hunting the hedges on their own. Some owners close their eyes to the fact that their pets absent themselves for quite long periods, often with another dog. Very often a game dog like a Labrador or Spaniel is led by a terrier, even a Jack Russell. They hunt the hedges and woods and probably come across the sheep by accident. Once they have started chasing sheep, though, they are almost impossible to stop.

As murderers are supposed to, worrying dogs return to the scene of their crime, to have another attack. The foxhound referred to had a spread of targets. It was during the war and was in the end shot at long range by a farm worker with a Homeguard rifle. This animal was undoubtedly an escapee from a hunt somewhere, he was seen to kill sheep and even calves in the area and developed a high degree of cunning: to avoid his human adversaries. It was the only one of these creatures that I have known to eat its victims, probably it was living in the wild.

COUNTRY NOTES

JOHN CHEWINGTON

and by doing so probably encourage the dog into attacking her. Cattle are sometimes another matter. A newly calved cow will be very persistent in its attacks. In this frame of mind a cow is much more nimble on her feet than is a bull of which most people are afraid. It is no accident that bull fighters stick to bulls and cows are absent from the bull rings. I have been attacked by both of these animals, and the bull can be dodged because once it has put its head down to charge it keeps a straight line but a cow keeps her eyes on the target.

I mention this because when walking through a field of cattle on a perfectly legal foot path a dog can incur the animosity of

a cow. The dog's instinct in some of these cases is to run to its owner for shelter and protection and the cow is no respecter of persons when alarmed. I have known one cow nearly killed by a dog in these circumstances. This is particularly important to remember when walking the hills, and mountains in the spring because that is when the cows are calving.

Most dog owners who come to my farm, through which are several lanes and footpaths are responsible people. They don't let their dogs run free when there is stock about, and keep them on a lead when the ewes are lambing. Most dog owners keep their pet under control and don't let them wander.

But for those who lack the responsibility to care for them properly and find them absenting themselves for long periods, a warning. One of these dogs will come home with blood on its face and wool sticking to its teeth and in its mouth. Then it will be too late. There is no cure for sheep worrying but death.

Vegetable variations

GARDENING

ARTHUR HELLER

I AM told that the annual value of packeted vegetable seed sales exceeds that of ornamental plants but of course this does not mean that home gardeners grow more vegetables than flowers. Most vegetables must be renewed annually from seed, but this is certainly not true of ornamental plants many of which continue for many years.

Nevertheless the figure does suggest a more sustained interest in vegetables than might appear from casual observation of what is grown in private gardens and, since this is the start of the vegetable sowing and planting season, it seems appropriate to consider ways in which results might be improved.

Not by trying to do any great extent by buying the most expensive varieties most of which have been bred specially for the big commercial producers whose orders are much more important than those of private gardeners and whose needs are very different. Market gardeners are much concerned with uniformity, not only in the ap-

pearance but in the time of ripening. It is a good idea to have a batch of vegetables ready for harvesting at the same time. The cost of gathering it is greatly reduced.

The needs of home gardeners are almost diametrically the opposite on both counts. It can be a positive advantage to have some variation in the size of vegetables and also in the time at which they are ready for use.

Quite recently I was referring in this column to my satisfaction in being able to start picking brussels sprouts in September and continuing to do so until February from the same sowing of Peer Gynt, certainly not a newcomer but for me the most satisfactory variety I have grown.

I have just sown it again for 1983-84 and no novelty is going to tempt me away from it.

suits my soil and climate and I am sticking with it again this year as I shall be with lettuce Little Gem, vegetable marrow Zucchini and several more old favourites.

Just occasionally I am won over by something entirely new as I was three or four years ago by a pea named Sugar Snap which looks exactly like an ordinary culinary pea but has soft tender pods that one can eat them whole without having to take the peas out and throw the pods away.

In fact a year or so before that I had decided to give up growing peas because they took up too much ground and took too long to shuck but I am back to peas again as a profitable crop thanks to Sugar Snap.

But where I think many home gardeners could improve their results most is by forgetting much of what is in the text books and adopting new ways of growing them. In small gardens it is both possible and profitable to grow most crops much more densely than has been customary.

But in small gardens all the work will be done by hand anyway and it probably does not make much difference if one spends an hour rather than half an hour on a particular job if the result is that one gets two or three times the crop from the same area of ground.

Some years ago one of the big chemical companies, Ciba-Geigy, produced a little booklet entitled "Dr Geisel's 3 by 7 ft Vegetable Garden." Dr Geisel is an entirely imaginary character thought up by the Ciba-Geigy publicity staff and the booklet was actually written by Peter J. Triffin.

I do not agree with all his conclusions, least of all his advice not to bother with manure because it smells, attracts pests and always contains weed seeds, but I did welcome the breath of fresh air he brought to the subject of vegetable spacing.

Here are some of Mr Triffin's recommendations. Beetroot, broad beans, leeks, parsley, parsnips and turnips, all to be grown four plants per square foot, lettuce two plants per square foot (my own opinion is that Little Gem can be grown at twice this density), brussels sprouts three plants to nine

feet, marrows one plant per square foot, onion sets six inches apart in rows also six inches apart, potatoes one plant set per two square feet and runner beans nine inches apart.

It will be observed that only occasionally are rows mentioned. The square foot method means that most crops are spaced equally each way and that almost certainly involves taking out most weeds with a spud, trowel or small onion hoe. It would make a commercial grower bankrupt in no time, but it makes sense in a small garden.

It may be objected that by planting potatoes square foot traditional earthing up will become impossible. But the only useful purpose served by earthing up is to keep surface tubers covered so that they do not become green.

In a tiny plot one can do this by depressing with peat or soil or a mixture of the two or by covering the surface with perforated black polythene, making slits to let the plants grow through. It needs to be perforated to let rain through and the plant roots. An added advantage of polythene is that it can be turned back

TRAVEL

Escape to the peace of the Island Hotel Tresco

ALWAYS (Ramsay) Tresco Island Hotel, Tresco, Isles of Scilly, Cornwall. The Island Hotel, famous for good food, comfort and personal service, offers you a relaxing holiday in a different world with no crowds or cars. Write or telephone for our Colour Brochure and Tariff. The Island Hotel, (C), Tresco Isles of Scilly, Cornwall. Telephone 0770 2283.

FREE 1983 MICHELIN GUIDE TO FRANCE (with all bookings confirmed before Easter) Send now for our brochure of some of the best restaurants to let in the prettiest country regions of France from Brittany to Provence. Special Car Ferry Discounts. VACANCES EN CAMPAGNE. Etienne, Polignac, W. Sussex RH20 1QD. Tel: (07987) 544

AMSTERDAM POSTER For a free copy of this attractive poster, together with our brochure on individual inclusive holidays to that beautiful city, write or phone Home Office, 25, Chester Close London, SW1. 01-235 8070.

WEGGIS (HISTENSTEIN)—The most beautiful and charming place by Lake Lucerne. Information Office CH-6252 Weggis. Tel 78 395.

FAR EAST & AUSTRALIA. Amazing discount prices on all classes of scheduled flights. Flexible returns, stopovers. E

LEGAL NOTICES

No. 00573 of 1983 In the HIGH COURT OF JUSTICE Chancery Division. Re: BXL PLASTICS MATERIALS GROUP LIMITED and Re: The Companies Act 1938. NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated the 21st day of February 1983 confirming the reduction of the capital of the above-named Company from £2,000,000 to £1,200,000 and the Minute approved by the Court following with respect to the capital as altered the above Particulars contained by the above-named Act were registered by the Registrar of Companies on the 24th day of February 1983. Dated the 15th day of March 1983. LINKLATERS & PAINES Solicitors to the Company.

TRAVEL

ADVERTISING APPEARS EVERY WEDNESDAY AND SATURDAY Rate £22 per single column centimetre

CLUBS

EVE has outlived the others because of a

BOOKS

Past masters

BY A. L. ROWSE

The History Men
by John Kenyon. Weidenfeld & Nicolson, £16.50, 322 pages

The *History Men* originated as a series of articles on historians and the historical profession; now turned into a book, it provides a good deal of brisk and bustling information from a common sense point of view.

It is probably difficult to write about historians with real perceptiveness; for the curious, and perhaps significant thing is that first-rate historians rarely write about the writing of history: they write history. Poets are much more willing to write about poetry: is it that historians are reluctant to reveal the secrets of their art? For their art is not a simple one — contrast for instance the subtlety and complexity of Thucydides with the stark simplicity of Greek tragedy; or the insinuating scepticism of Gibbon with the obvious certainties of Pope.

The major defect of this book is that it lacks this conception of history as an art. Take, as a test case, G. M. Trevelyan, the best known historian of this century. He stood at the head of our profession, but that is not the way to regard him: he was an inspired writer — and an artist. His sense of English landscape, loved and trampled over by the generations, farmed and fought over, gave not only

inspiration to his books, but backbone. Every book of his had form, and even beauty. Trevelyan denied to me that he had genius, but of course he had; and this is a mystery — as with Gibbon, and Macaulay, Carlyle or Froude.

What do we get about Trevelyan here? I am willing to overlook simple mistakes, such as that Trevelyan came from "Devon" gentry, though anyone should recognise his as the most famous of Cornish names, but I am not willing to condone phrases like Trevelyan's "flag-waving patriotism," his chauvinistic assumption that England had always been right — he was far from any such assumption and the reverse of a chauvinist. I do not recognise that that great man's love of countryside — and what work he did for the National Trust in preserving what he could — was "hucolic excess," nor that he was "a profound snob." He was a patriot. Actually in his earlier years Trevelyan had been an extreme Radical, and always remained a philosophical liberal, more sympathetic to Charles Fox than to the Younger Pitt.

Trevelyan was sympathetic, too, to the earlier, radical Carlyle, who also provides — as does his disciple, Froude — a conundrum quite beyond historical journalism. Professor Kenyon ends it "difficult to see what Froude got out of it." I can tell him: Froude was in

utter despair when Carlyle rescued him, gave him something to believe in, and a positive dynamic charge to accomplish his life's work.

There is no real comprehension of Froude in this work. He was the most underestimated of great Victorians. All who have any sensitive appreciation of style know that Froude wrote like an angel: to John Kenyon this becomes a "facile pen and agreeable style," while we are informed that he ended up in "the abundant smugness of old age, something of a celebrity, and a very wealthy man." Those who know the facts know that the last years of his life were anguish and torture, from the bitter controversy over the Carlyle biography; it doesn't matter that he was not "very wealthy," merely well off. "Something of a celebrity" — he was indeed famous, and a public figure.

He was also, it is true, a great best-seller; he wrote so readably. The academics could never forgive him for that. Apropos of which I find the remark here that "from historians like Rowse and Neale the standards of the market place have become clamant." This is again inaccurate. Sir John Neale was inspired by enthusiasm for the Elizabethan age, and no one can say that his magnum opus on Elizabethan Parliaments is for the market place.

As for myself, all my books are written for an audience of



Edward Gibbon: insinuating scepticism

one alone, making no concessions whatever to what anybody thinks — I should have thought that that was obvious to half an eye; if a great many people choose to read them, that is hardly my fault, a secondary matter to me, not the source of inspiration — any more than with Macaulay, Froude, or Trevelyan.

Candour compels me to say that it is rather Professor

Kenyon's standards that are of the market place. One sees that in his style, containing such appalling clichés as the Whigs "could take it on the chin." Buckle when young was a "drop-out," and we hardly recognise historians as "block-busting," or their works as "spin-offs" while the dreadful adverb "arguably" should be given a rest from over use.

How to elect a U.S. President

BY DAVID BELL

America in Search of Itself
by Theodore H. White, Jonathan Cape, £10.95, 465 pages

It was all so very different in 1956. In the last weekend of the New Hampshire primary a mere seven reporters had the state to themselves. The "video men" had come and gone. The "pencil men" were, as they had always been, unchallenged.

Cut to a school hall in the same state in 1980. Reagan is facing Bush in a bad-tempered debate a few days before the primary. On hand now is an army of 450 "media people." Pride of place belongs in the

cameras which "measure out the world in thirty second takes."

This is but one telling example of the way that American politics have changed in the 25 years since "Teddy" White—doyen of the pencil men—began to chronicle presidential campaigns, tape record and notebook in hand. His first book—about Kennedy's whisker-thin victory in 1960—was probably his best, partly because the idea of instant history then seemed so fresh. Indeed it became the model for a small avalanche of imitations, in Britain as well as in the U.S. This book is more

ambitious. It surveys the 1980 campaign, but in less detail than earlier volumes. For White is also intent on looking back on 25 years on the campaign trail. He doesn't like most of the changes.

In 1956 the American political system still ran along familiar lines. The great industrial cities of the Northeast had not been devastated by competition from the sunbelt or the Japanese. California had not overtaken New York to be the dominant state in the Union. City machines could still—just—deliver blocs of votes, as Mayor Daley proved when Chicago tipped the

balance for Kennedy in 1960. Nobody was much bothered about Blacks, women, gays, Hispanics etc. etc.

Above all there was scarcely any television. Eisenhower flew in 1956 that "TV engineers" would become "our political kingmakers," but he did not realise the extent to which television would alter for ever the terms in which campaigns were run and hand politicians over to a new race of "image makers." In the process, the "pencil men," like White, have found themselves squeezed in behind the camera platforms watching events, carefully staged for the evening TV news.

Voters, influenced increasingly by the "pounding and pricking of TV," have meanwhile become so much more volatile.

In 1960, White tracked the slow process by which Kennedy, a Catholic Irish outsider, just managed to beat Nixon. Even then the climate was decisively altered by one television debate. Twenty years later each candidate was loosing very heavily on his own soapbox—a pollster who relentlessly measured every TV-led rise and fall in opinion, "issue" had eclipsed issues, or "issue structures" as the pollsters prefer to call them.

But it is not all the "fault" of television, of course. White is the son of a Jewish immigrant and has long since absorbed the "Anglo Saxon" values of the East coast. America, he says, is "held together by a culture of hope." Successive waves of immigrants, he notes with great pleasure, have, like his family, taken their place in the society melting into the suburbs with only their surnames to remind others of where they came from. Yet in the past 25 years the rules which governed this progressive integration have changed. Blacks and Hispanics, unwilling to play by the rules, have forced the pace and threaten to overwhelm the system. The Hispanics even demand the right to speak Spanish, something no previous generation of immigrants ever dared to do as they struggled to learn English (arguably it is language which has bound America together more than anything else).

White sees fragmentation everywhere. The Democratic Party itself, once the stronghold of easily identified power blocs, changed its rules to encourage more "minorities" in the early 1970s. Even the primaries ceased to be "winner take all," encouraging more candidates to enter more of them, thus breaking up the system still further. It also, incidentally, increased the power of the "high baronage" of television as interpreters and final arbiters.

It's all very gloomy. Or is it? White is a romantic and his judgment has sometimes been at fault. He was charmed by Kennedy in 1960 and he never quite recovered from what might have been. Even now he compares the Kennedys to some great Roman family like the Gracchi. Kennedy's Camelot, however briefly, was a last golden age.

White did not rumble Nixon in 1968, and 1972 campaigns were as cynical, and as TV-obsessed as any that have followed—until quite late in the day and he was always seemed a shade too impressed by power, by those who hold it and by those who have made it up the ladder. He is also an unrepentant lover of clichés, hopping from theme to theme and unworried by the fact that he repeats himself.

Yet it is hard to fault his main thesis. The old political system—monolithic parties, smoke-filled rooms and the rest—has indeed been smashed. The new rules are hard to master and seem constantly to be changing. The old political values and steady organisation, years of apprenticeship, a willingness to compromise—have nearly been submerged. Too much is left to the "tactical effort of the tube."

White doesn't know what is to be done about all this. He wishes that a new generation of politicians will restore the hope that ought to bind America together. But he doubts that there

Fiction

Honey pots

BY NICHOLAS BEST

An Innocent Millionaire
by Stephen Vizinczey. Hamish Hamilton, £8.95, 388 pages

Summer Crossing
by Steve Tesich. Chatto & Windus, The Hogarth Press, £1.95, 373 pages

Gabrielle
by Agnes Short. Constable, £7.50, 236 pages

The Kremlin Cat and the Bomb
by K. G. Babington. Oriel Press, £6.95, 159 pages

Money is at the heart of Stephen Vizinczey's *An Innocent Millionaire*. Money and the corruption it brings, the power to make enemies of friends and friends of enemies. From the author of *In Praise of Older Women* comes the wry observation that material success must always have its price.

Mark Niven, innocent millionaire of the title, is the son of a failed Hollywood actor. Desperate to escape the poverty of his childhood — finely depicted by Vizinczey, who himself suffered early insecurity at the hands both of the Nazis and the Communists of his native Hungary—he sets out to discover an old Spanish treasure ship wrecked somewhere in the Bahamas. Somewhat improbably he succeeds. But with \$300m in his pocket, his troubles are only just beginning.

A fleet of helicopter gunships, criminals posing as revolutionaries, attack the wreck site. Mark beats them off, but his subsequent short stay in hospital costs him \$500,000 in doctors' fees. The art dealer who exhibits the treasures calmly pockets the lot and defies Mark in prove they were ever his in the first place. The resultant action in the quagmire of the New York courts enables lawyers to extract millions from both sides before amicably settling the argument (in the dealer's favour) over a game of squash.

Stunning echoes, then, of John Steinbeck's *The Pearl*. For Vizinczey, as for Steinbeck's simple hero, a man said of the money that should be used for an easier existence puts men in fear of their lives instead. Com-

pared to the brilliant economy of *The Pearl*, *An Innocent Millionaire* is cynical, overlong and occasionally heavy-handed. Yet it is cleverly done and what it lacks in other ways it more than makes up in shrewdness and wit.

Another shrewd writer is Steve Tesich, whose delightful study of late adolescence *Breaking Away* won an Oscar for best screenplay a few years ago. In his first novel, *Summer Crossing*, he returns to a broadly similar theme of three youths just out of high school wondering what to do with their lives. The setting is East Chicago, 1961, but it could be any American town, any time.

One youth breaks away, burning down the local refinery so that he will never have to work in it. Another settles for the comfort of familiar surroundings and marriage to the fat girl next door. Daniel, the narrator, enjoys first love with the beautiful Rachel. They meet, they kiss, they go to bed, Rachel alerts him to the possibilities of life outside East Chicago and at the end of the book he leaves, although without her.

It is all very neatly put together, a sort of American *Graffiti* without the harshness. But something is lacking. Adolescence is never much fun to revisit — especially in three volumes. Somewhat improbably the author has little new to say. Nor does he succeed in evoking much nostalgia. A pity, because his previous work on stage and screen—most recently *The World According to Garp*—has amply demonstrated his gifts as a writer.

Agnes Short's *Gabrielle* is the half-French daughter of a Tottenham Court Road lavatory maker, by appointment to Queen Victoria. Rather than depend on her father and his new wife for a living, she struggles to support herself in the Paris of the Third Republic. From governess to milliner, assistant to naked artist's model, she faints with hunger into the arms of Paul de Chardon, heir to a bankrupt vineyard, and marries him.

He retreats into opium to help him write his play, she gathers the management of the estate into small but capable hands. Handsome Patrice Le Brun tries to tempt her back to the world of the impres-



Stephen Vizinczey: a treasure ship

sionist painters, but with only partial success. This is a routine, historical, romantic, modest and unassuming. The intricacies of wine-growing are well researched and there is a nice twist at the end, but it is a pity that the girl, backstage at the Comédie Française had to be called Frou-frou.

The Kremlin Cat and the Bomb by the pseudonymous K. G. Babington—whose initials, judge me, will need no further explaining—is an incursion into Animal Farm territory as Feliski, the Kremlin mouse, joins forces with the mice of the world to outlaw nuclear weapons once and for all. Trained by his Russian masters to infiltrate the Pentagon, Feliski makes contact with some CIA mice instead. Together they decide that "human beings are silly; that all it needs to secure world peace is a televised confrontation between the presidents of the super powers at which both swear to give up the arms race for ever."

A nice idea, and after achieving his aim Feliski is awarded the Nobel Prize for Peace, which is certainly no more ridiculous than some of the prize's recent winners. But this sort of writing is very difficult to write off, and the book as a whole lacks Orwell's sureness of touch. Never entirely certain of its audience, it flails unhappily between allegory, satire and fairy story. When it aims for simplicity and clarity of purpose, more often than not it succeeds only in being naïve. One is reminded of those women dancing about on Greenham Common in the belief that the Kremlin will go away.

Young and 20

BY ANTHONY CURTIS

The W. H. Smith Literary Award (£4,000) celebrated its 25th anniversary this week. The latest winner, A. N. Wilson, novelist, biographer and literary editor of the Spectator, joins distinguished company. Previous winners have included John Fowles, Seamus Heaney, Anthony Powell, Ernst Gombrich, Brian Moore, Patrick Leigh Fermor, and J. R. Ackerley, another author-cum-literary editor to receive the award.

The W. H. Smith Award predated the setting-up of the Booker Prize, and it was indeed the first of the "big" British literary prizes to be founded by a munificent British company after the second world war. It helped to turn Britain into the award-conscious literary market-place it is today.

Another more recent manifestation of the award mentality is the practice of the Book Marketing Council to give 20 writers in a popular category like (say) fiction or fitness books — the contentious label of being "the best" British writers in that category, and to organise a concerted effort, with the help of Penguin and other paperback houses and bookshops, to make a larger public aware of their books. This must be nice for the 20 who find themselves hauled aboard the bandwagon, but not nearly so gratifying for others just as good, unheralded and unnamed by the Book Marketing Council.

Anyone curious to sample the work of the "Best of Young British Novelists," the theme of the current campaign, may do so by buying *Granta 7* (Penguin £2.50) which is entirely devoted to the work of the chosen Twenty. This, by the way, is the first number of *Granta* to appear under the imprint of Penguin Books who will publish the magazine in the future.

From time immemorial *Granta* has been a purely Cambridge journal, a place where undergraduates were able to see their wild literary oats; but now, still master-minded from Cambridge, by its American editor Bill Buford, it has become an international journal with the format of a substantial limp-covered paperback book.

The theme of *Granta 7* was "A Literature For Politics." It contained contributions from Milan Kundera, Uwe Johnson, the late Peter Weiss, in addition to some interesting transcripts of interviews with Argentinian concertists who had served in the Falklands, from a book due to be published in English later this month.

In his introduction Mr Buford wrote: "The 'literary' writing since the Second World War — the

tenured explicators — is a literature of no importance, dedicated to telling us how little it means."

A literature for Politics is dedicated to a different set of possibilities — the possibility of political engagement. In this, however, we are also dedicated to a different understanding of what constitutes political literature.

The only contribution in *Granta 7* which would really fit into this programme is that of Ian McEwan on how he came to write the words for the anti-nuclear oratorio, *Or Shall We Die?* This has already appeared in book form. Indeed one of the problems of *Granta 7* seems to have been finding work that either has not already appeared, as part of a book, or will soon appear, as part of a book. Thus, Lisa St Aubin de Teran's contribution is part of the book *Slow Train to Milan*, reviewed here two weeks ago by Isabel Quigly, and Martin Amis's—updated Hemingwayesque—is a longish chunk from the beginning of his new novel *Money*.

It is difficult to tell whether Ursula Bentley's hilarious encounter between a liberated woman (American) and an unliberal one (Swiss) in Zurich is part of a longer work or not; either way it is well worth reading. A. N. Wilson's "Scandal" (first day back at prep school, bullying in the dorm) is, we are told, from his next novel.

Whatever else it may portend, *Granta* does not seem to prefigure the revival of the short story among young writers. But how young is "young"? Most were born either during or just after World War II (forty, past retirement age for a footballer, is still young for a writer). Do they share a common style or

evidence; and a loving relationship between a man and a woman? A hard question to answer. In young British writers like A. N. Wilson (born 1950) and Julian Barnes (born 1946) the world of Betjeman with its digs at academe, its love-hate of Metroland, and its fixation on school days, never seems terribly far away. It is presumably too early for a full biography of the poet but the current television series *Time With Betjeman* suggests what an entertaining book that should be one day. In the meantime, Patrick Taylor-Martin has written a study John Betjeman: *His Life and Work* (Allen Lane, £9.95, 192 pages) which brings together much useful information about the poet laureate and his work in both prose and verse. Betjeman has consistently kept the flag of literary insularity flying in Britain and has found that many poets' later generations rally round it.

John Fuller (born 1937) has several poems in *The Beautiful Inventions* (Secker and Warburg, £4.00, 63 pages) which are basically Betjemanesque. There's one, "Linda," about a girl in a biscuit factory, abandoned by her lover, where homage to the Master seems deliberately intended. The cutters rise and fall and the chocolate, the coconut, The Orange Princess and the Gipsy Queen. The biscuits gather and the boxes shut. But things are under what their seem. Fuller is insular in the sense that his work stems from the English poetic tradition with conscious artistry, but not in the sense that like Betjeman he never ventures abroad. Several of the poems in this collection have their source in a trip to Turkey, including the title poem, which refers to the intricate mosaic patterns to be found in a mosque.

By contrast Fuller's novella *Flying to Nowhere* (The Salamander Press, Edinburgh, £4.95, 89 pages), which appears at the same time, is insular in the precise sense that it all occurs on an island off the Welsh coast in the middle ages. The island contains a monastery in charge of a scientifically-minded abbot where novices are trained. The monastery is surrounded by land farmed by pretty peasant girls. The island turns out to be a prison from which no one who sets foot on it can escape. The story, written in elegant cadences that are a pleasure to read, successfully sustains this atmosphere of a wholly beautiful, wholly remote place. It has a similar structure to one of the longer stories in *Granta 7*, Christopher Priest's "The Miraculous Cairn," with a similar novel to

BUILDING SOCIETY RATES

	Deposit rate	Share accounts	Sub-prime shares	Others
Abbey National	6.00	6.25	7.50	7.25 1-year high option, 7.25 6 years sixty plus, 6.75 min. £100, 7 days' notice no interest lost
Aid to Thrift	7.00	7.25	—	7.25 3 years Money Monthly £1,000 min. Interest paid monthly
Alliance	6.00	6.25	7.75	7.25 3 yrs, 2 mths' withdrawl. notice
Anglia	6.00	6.25	7.25	7.25 Extra Interest Shares
Birmingham and Bridgewater	6.00	6.25	7.75	7.00 1 m. not. or on dem. (int. pen.)
Bradford and Bingley	5.75	6.25	7.25	7.25 High I. a/c 3 m. not. (no pen.)
Britannia	6.00	6.25	7.25	7.25 Option Bond, 7.25 2 mths' not.
Cardiff	6.00	7.00	7.75	—
Cardiff	—	7.50	—	— Share a/c bal. £10,000 & over
Catholic	6.00	6.50	7.50	7.50 6 months' deposit, £500 min.
Century (Edinburgh)	6.50	7.00	—	8.00 24 years
Chelsea	6.00	6.25	7.25	7.70 3 yrs., £1,000 min. im. wdl. pen.
Cheltenham and Gloucester	6.00	6.25	7.25	—
Cheltenham and Gloucester	—	7.25	—	— Gold Account—savings of £1,000 or more. No notice—no penalty
Citizens Regency	6.00	6.50	8.00	7.50 3 yrs. Double Option sh. 7.40
City of London (The)	6.25	6.60	7.50	8.00 £10,000-£30,000, monthly incs. 3 months' notice no penalty
Coventry Economic	6.00	6.25	7.50	7.75 4 yrs., 7.50 3 yrs., 7.25 3 mths.
Derbyshire	6.00	6.25	7.50	6.75-7.35 (3 months' notice)
Greenwich	6.00	6.50	7.75	7.75 2 yrs., 7.50 25-day pen/notice
Guardian	6.00	6.50	—	8.25 6 mth., 7.75 3 mth., £1,000 min.
Hallifax	6.00	6.25	7.25	7.25 Extra Interest Plus, 3 months' wdl. notice or loss of interest
Haart of England	6.00	6.25	7.50	7.00 1 mth. not., 7.25 flexi. tm. 3 yr.
Hemel Hempstead	6.00	6.25	7.50	7.75 3 yrs., 7.50 3 months
Hendon	6.50	7.25	—	8.00 6 months, 7.75 3 months
Lameth	6.00	6.50	7.75	8.00 6 mths., 7.75 28 days, 7.25 3 m.
Leamington Spa	6.10	6.35	6.90	—
Leeds and Holbeck	6.00	6.25	8.00	7.75 5 yrs., 3 mths' interest penalty
Leeds Permanent	6.00	6.25	7.25	7.25 HRAS, 7.00 E.I. a/c £500 min.
Leicester	6.00	6.25	7.25	7.25 3 yrs., 7.25 3 months
London Grosvenor	6.00	6.50	8.50	7.10 3 mths' notice 1 mth. int. pen.
London Permanent	6.00	6.75	—	7.50 1 m. not. or on dem. (int. pen.)
Midshires	6.00	6.25	7.50	7.25 1 year, 3 months' notice no pen.
Mornington	6.50	7.30	—	—
National Counties	6.25	6.55	7.55	8.00 28 days, 8.25 6 mths., £500 min.
National and Provincial	6.00	6.25	7.25	7.50 3 years, 7.00 1 month
Nationwide	6.00	6.25	7.25	7.25 3 yrs., £500 min. imm. wdl. with penalty. Bonus a/c 7.00 £500 min. imm. wdl. with penalty
Newcastle	6.00	6.25	7.50	7.75 4 yrs., 7.25 28 days' notice, or on demand 28 days' int. penalty
New Cross	6.75	7.00	—	7.00-8.00 on share accs., depending on min. balance over 6 months
Northern Rock	6.00	6.25	7.50	7.00 High int. sh. 7.25 Prem. share
Norwich	6.00	6.25	7.50	7.25 3 yrs., 7.00 2 yrs.
Paddington	5.75	6.75	8.25	7.25 7 days' notice
Peckham	6.75	7.00	—	7.50 2 y., 6.00 3 y., 8.50 4 y., 7.35 Bns.
Portman	6.00	6.25	7.75	7.00 1 mth., 7.25 6 mths., 7.25 5 yrs.
Portsmouth	6.35	6.55	8.05	8.40 5 yrs., 8.00 6 mths., 7.50 1 mth.
Property Owners	6.25	6.75	8.25	8.25 4 yrs., 8.25 6 mths., 7.75 3 mths.
Scarborough	6.00	6.25	7.50	7.25 Money Care + free life ins.
Skipton	6.00	6.25	7.50	7.00-7.15 (1 mth.) 7.25 3 yrs.
Sussex County	6.15	6.40	8.15	6.90-7.90 all with withdrawal option
Sussex Mutual	6.25	6.50	8.00	6.75-8.00
Thrift	6.15	7.15	—	9.15 5 yrs. term. Other accnts. avail.
Town and Country	6.00	6.25	7.50	7.50 3 yrs., 60 days' wdl. notice
Wessex	6.25	7.30	—	7.50 imm. wdl. 28 days' interest loss
Woolwich	6.00	6.25	7.25	7.25 90 days (int. loss), 7.25 Special Interest Shares 90 days' not. or imm. wdl. with 80 days' int. loss (min. £500, 7.00 imm. wdl. 28 days' interest loss)
Yorkshire formerly Huddersfield & Bradford and West Yorkshire	6.00	6.25	7.25	7.25 5 Star Bond min. £500, 2 mths' not. with pen., 7.25 Golden key imm. wdl. 30 days' pen. interest

What is not to do

HOW TO SPEND IT

by Lucia van der Post

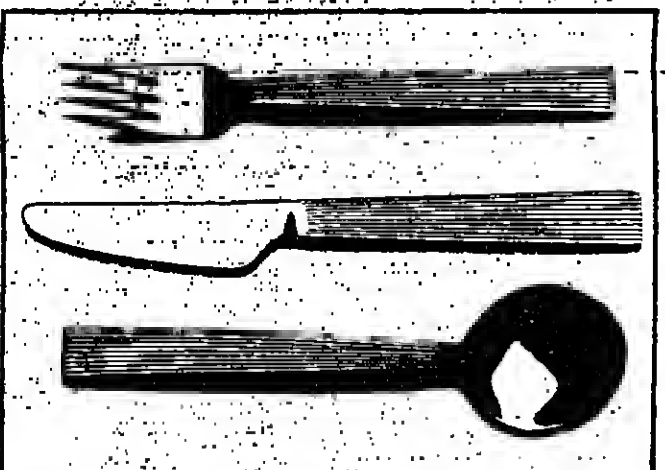


Well suited

THE pin-striped City suit was once the preserve of the smart man about town. Nowadays designers of women's clothes have purloined such old-established classics and started giving us the kind of clothes designed to last and last.

Alexon, whose latest summer range is aimed directly at the working wife or mother, the woman who needs to look smart without looking bored, has here produced a suit that is sober enough for any working day, yet comfortable enough and pretty enough for any social occasion except the most glamorous evening kind.

Made of 80 per cent polyester and 20 per cent cotton, in a fine, grey/black stripe, there is a collarless jacket (£39.95), and a soft, easy-to-wear skirt (£32.95). Here it is worn with a white broderie Anglaise blouse (£24.95). All three pieces are available from all Alexon shops-within-shops in many department stores.



Set piece

DAVID MELLOR is arguably our best-known designer of cutlery—not only has he himself won several awards for his cutlery but many of his pieces now reside in international collections in esteemed museums like the Victoria and Albert, the Museum of Modern Art in New York and the Philadelphia Museum of Art. He also runs three of our most rigorously selective homeware shops—at 4, Sloane Square, London, SW1; 26, St James Street, Covent Garden, London, WC2; and 86, King Street, Manchester, M2.

His latest design, Flute, photographed above, uses only stainless steel—a material that may have rather down-to-earth associations but which here achieves an austere elegance. Now that silver, the metal he used for his early designs, has risen so much, it is interesting to see what can be produced with more workaday materials. Flute is available at the very accessible price of £14.75 for a six-piece set from David Mellor's own shops as well as many other good department stores like Heal's of 196, Tottenham Court Road, W1.



Ravishing robes

I KNOW a fashion editor who, whenever she is in doubt about what to wear just reaches for her antique Chinese robe—she always looks marvellous and nobody else ever has one like it.

Anybody who longs for something equally special, uniquely their own, should take a look at the Antique Japanese robes currently on show and for sale at the Mercury Gallery, 26 Cork Street, London W1. When you think that nowadays it is perfectly possible to buy well over £100 for a quite ordinary dress, the prices seem to me very reasonable—they start at about £80 for a silk Juban (gar-

ment worn under kimono jacket) or Haori jacket, but the average price for a kimono is about £100. Those who are enamoured with the current craze for Eastern working clothes need not spend their money on West-ernised adaptations but can buy the original article from about £25.

There are clothes for men and women but if you're already sufficiently well-clad yet are interested in things Japanese, there is a good selection of furniture and small artefacts as well. The exhibition is on until the end of March.



Matt brown Micro-Aids from WL Housewares

Latest packaging from freezers from Thorpac

Hornsea Pottery's Bon Appetit collection

On the crest of a wave

I WELL remember when the freezer was an exotic new-fangled device which lurked in the outbuildings of those of our friends who had gardens, or even land, which produced more than their kitchens and preserving jars could cope with in season. Then it began to spread to urban homes, where people working outside the home, like myself, quickly realised that far from being a luxury for the leisured, it was an essential aid for those who couldn't always shop at the times when shops chose to be open or cook when cooking needed to be done.

The statistics prove the point. Twelve years ago, just 5 per cent of British homes had a freezer whereas last year about 55 per cent of all households were able to appreciate its benefits. The proportion of owners is expected shortly to reach 66 per cent.

Placed in almost precisely the same position as the freezer of 12 years ago is the microwave oven. Today there are some 850,000 ovens in domestic use but the prediction is that by 1993 some 2m homes, or 10 per cent of households will own one.

One of the obvious impulses behind increasing sales of microwave ovens is the fact that they are the perfect complement to freezers. In order to be able to use a freezer spontaneously (one of the advantages so lyrically pronounced by the advertisers) you need a microwave oven to defrost your "spontaneous"

dinner party food. Without it you can only be spontaneous with at least 12 hours notice. With a microwave oven you can defrost frozen soup in about 12 minutes, a loaf of bread in about four, butter in 20 seconds, a whole chicken in about 15 minutes.

Just as freezer owners had to get used to some new, if fairly simple, techniques and to learn which of the accessories on the market most suited their cooking habits, so new owners of microwave ovens will find that there are some basic techniques to learn. Most of these will be fully and amply explained by the demonstrators who sell the machines but there then remains the question of what containers to use in the oven itself.

Metal containers should never be used because they reflect the waves and could damage both the dish and the magnetrons. Dishes that are glued together, possibly at the handles, will melt. Melamine and Tupperware aren't suitable either as the material absorbs the microwaves.

You can use oven-proof glass and glass-ceramic dishes. Pyrex, for instance, is very suitable. Ordinary glass without any lead content can be used for short-term heating

(one of the microwave demonstrators' party tricks is to show how water can be boiled in a glass in about a minute without the glass cracking) or for cooking food which doesn't have much fat or sugar in it (if there is much fat or sugar the glass may crack).

Quite often sturdy china and pottery dishes which have no metal trim or content are quite suitable and nowadays most manufacturers state if it is or is not suitable. Unglazed earthenware or pottery will be absorbent and should not be used.

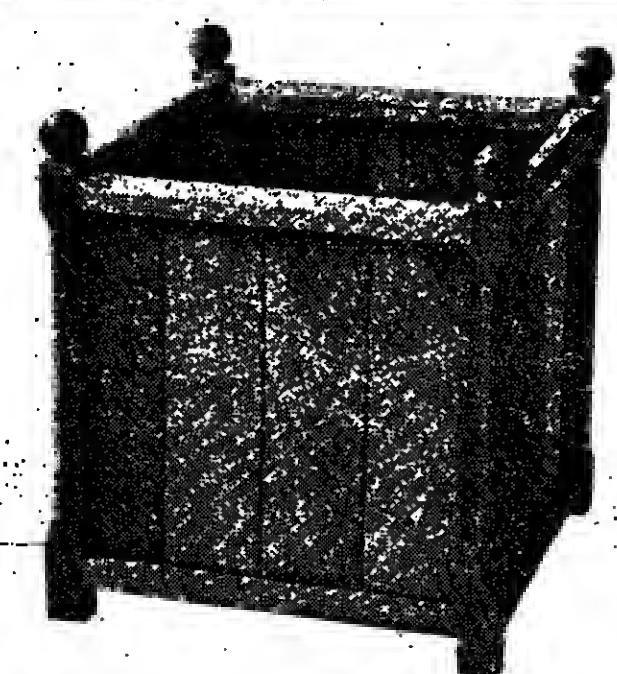
Plastic containers that are dishwasher-safe, boilable and rigid should normally be quite safe though highly-coloured foods may discolour in them.

For those who are still wondering what they should buy if they want something specifically for the purpose, there are two outstandingly efficient ranges on the market. Sketched left is the collection from WL Housewares, which can be found in almost any good kitchen department or store and goes by the name of Micro-Aids. Though they are described as oven-to-tableware I think they look more utilitarian than beautiful—made from non-stick TFX (short for a methylpentene polyole-

fin material with a high melting point) they are matt brown in colour but the shapes are specifically designed for microwave (shapes of containers are very important as dense food does not cook well). The range carries a 5-year guarantee, can also be used in the freezer (in my view essential for real practicality) and prices range from £2.29 for what is called the "anything dish" (for melting butter or chocolate, baking apples etc) and go on up to £11.49 for the pie and pasta dish.

Sketched right is a range from Hornsea Pottery—this is just going into Hornsea's own shops-within-shops now (at places like Owen Owen in Bath, Slough, Coventry and Lutterpool) and is sufficiently attractive to look good on any except the most formal table. The pieces, too, will go from freezer to microwave to dishwasher. In a soft honey colour with dark brown lettering the range is a delight—prices range from £1.50 for a small ramekin to £11 for the largest casserole, while the lasagne dish is £9.

Finally, for those wanting to know the latest developments in freezer containers, a selection of Thorpac's containers for freezers is sketched above, centre. Particularly interesting are the new foilbags sketched at the back which are a greatly improved way of storing and freezing liquids of all sorts. Thorpac containers are sold in most kitchen departments and stores up and down the country.



A potted story

OFTEN the plainest containers are the best foil to the decorative leaves of trees and plants. One of the nicest and sturdiest, particularly for larger plants like palms, bay trees or weeping figs, are these traditional hardwood containers, beautifully made with turned corner pieces and bevelled edges. In natural wood or a stained white finish, these Pamal tubs can be used indoors or out. £45 including delivery in natural hardwood and £50 in stained white wood. From leading garden centres or direct from Pamal, The Cottage, Spraxton, Melton Mowbray, Leicestershire.

Ring for service



OF ALL the many tiresome domestic chores, the one that entails trudging around a supermarket with an increasingly heavy trolley and then working out how to get the contents from the trolley to the car and house without incurring some kind of physical injury and/or a parking ticket, is my least favourite. I simmer weekly at the size of the cheques I write and the lack of service I get in return for them.

To the rescue comes a notion called the "Phone-in Supermarket." It is based upon the very simple idea that anybody who telephones in an order before 1.30 pm can have everything delivered the same day or evening at no extra charge for the first order or for any subsequent orders over £10.

The advantage to the shopper is obvious—no more weekly trudging home with heavy loads of boring things like washing-up liquid, loo paper and the rest. For the supermarket the gamble presumably is that those whose weekly shopping is delivered at convenient times just by making a phone-call will buy from them instead of anybody else.

For the moment the service covers Central, West and now South London—the area cover-

ing Richmond, Kew and Wandsworth—but the hope is that the idea will spread and soon all of us, wherever we live, may just lift the phone and have delivered the same day all the standard supermarket items we all need.

On the subject of prices, the phone-in Supermarket is quite frank—they are "more than a superstore, less than your corner shop." A quick check with Fine Fare and my local corner store seemed to bear this out.

Anybody in the area wishing to make use of the service should note that the Arthur Strong Phone-in Supermarket is open only from Monday to Friday from 8.45 am to 6 pm—the number to dial is 01-881 6223. Ring initially to see if your area is in the catchment zone: if it is you will be sent a checklist from which you can order almost everything that fills the average supermarket trolley.

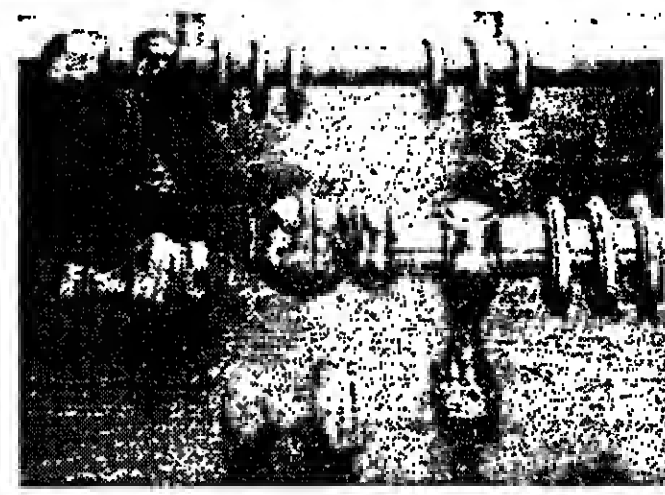
Pole in one

WOODEN curtain poles are nothing new—they have been the modish way of hanging curtains for some years now—but Stanley (a company specialising in curtain accessories) has had the good idea of so packaging the different poles and finials that the potential customer can buy an almost infinite variety of options off the peg.

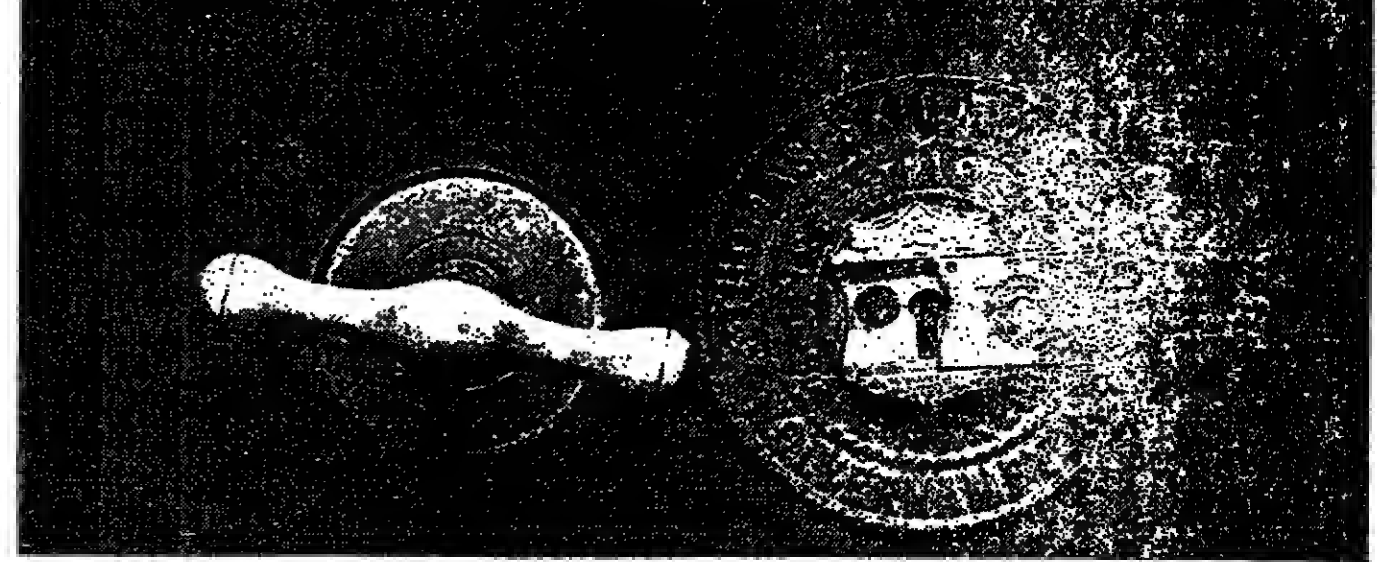
Basically, what they have done is to separate the pole from its finial—so that you buy the pole you want, in any colour, wood or design that you care for and then choose the finial (again in any shape but obviously in matching wood or colour) which you fit on the end—a simple idea but one that saves waiting for specific sizes, colourways and finishes to be delivered.

You can choose between seven different uncorred or pre-corred poles, three colours (white, natural or walnut), four different designs of finial, five lengths of pole (from 63 ins to 134 ins) which seems to add up to 28 different options, excluding the differing lengths.

Look out for the Stanley Options range in most good department stores.



Now Investors Chronicle opens up personal finance



If you have a real interest in making your money work hard there is an important new development in the INVESTORS CHRONICLE that you should know about. In February, the INVESTORS CHRONICLE introduced a new monthly supplement called "Money Monitor."

It provides both a broad strategy and detailed advice for individual investors and savers. Each supplement contains:

- a general review of best buys in the savings market
- up-to-date unit trust and offshore fund performance tables with commentary on key trends
- a topical tax briefing
- guidance on alternative investment
- a comprehensive note of new products

There will be regular profiles of fund management groups, interviews with the men who manage the money, and a constant review of any changes in the market and their repercussions.

Of course, the INVESTORS CHRONICLE's coverage of personal finance doesn't stop there. Every week it gives you the facts to help you make the right decisions.

The INVESTORS CHRONICLE is published every Friday. Fill in the coupon to order your subscription now and make sure you don't miss the next issue of "Money Monitor." If you wish to cancel your subscription at any time the outstanding portion of your payment will be refunded.

Pressing needs

JUST WHAT every traveller, or quick-change artist, ever wanted—an iron that works without an ironing board. Based on the principle that steam will smooth out the creases Roncetto sells an iron that enables the user to steam-press the clothes while on the hanger. Because there is no pressure against the clothes it can be used on delicate fabrics like velvet, as well as on things like curtains which can be ironed

without having to take them down.

An import from France (where it is apparently selling in its hundreds of thousands) it is currently being demonstrated at the Ideal Home Exhibition but is also being marketed by Roncetto (of 42 Earlham Street, London WC2) in stores throughout the country. It costs £11.45 either from stores, at the Ideal Home Exhibition or by mail from Roncetto.

The Financial Times Business Publishing Limited

To: Investors Chronicle, Marketing Department, Greystoke Place, Fetter Lane, London, EC4A 1ND.

I would like to take out an annual subscription to Investors Chronicle.

Please tick appropriate boxes

☐ £28-00 UK and Ireland ☐ £59-00 Europe (letter rate)

☐ £70-00 Rest of world (air mail) ☐ Student rates on application

☐ I enclose my cheque value £8 payable to FT Business Publishing (IC)

☐ I wish to pay by Access/Diners/American Express/Barclaycard

Card No. _____

BLOCK CAPITALS PLEASE

Mr/Ms/Miss _____ Job title _____

Address _____

Post town _____ Post code _____

Nature of Business _____

Signature _____ Date _____

Registered address: Backen House, Cannon Street, London EC4A 4BY. Registered in England No. 1973

ARTS

The Village Wedding

BY WILLIAM PACKER

Christopher Wood has called his spring exhibition until March 31 "Life and Landscape," which is pretty and copious enough a label to embrace his charming miscellany of Victorian paintings and water-colours. It holds a number of particular treats: a faithful portrait of Mary Queen of Scots, by Frith, for example, on board ship from France, a tiny and exquisite profile head of a young woman by Hicks, the small bronze by Thornycroft of the young Queen Victoria on riding, side-saddle of course, and in the most dashing habit. But though these things, and more besides, are well worth the notice, they remain incidental, for in the event this proves to be very much a one-picture exhibition.

The gallery is dominated by one huge painting, eight feet by five, a prime example of the genre painting that filled the high Victorian Academy.



scrupulous, detailed, well made, honestly sentimental. It was painted by Luke Fildes over some two years, set in what we must insist was the Berkshire village of Aston Tirrold, and shown in the Academy of 1883. Later it was shown at the Manchester Royal Jubilee Exhibition of 1887 where it was the hit of the show, roped off for its own protection. Though it remains half-

familiar by reproduction, it soon disappeared into private hands and has only lately re-emerged. It is a hugely enjoyable piece.

It shows the wedding procession returning from the church along the village street, as it would have appeared in the clothes of some 30 or 40 years before, the bride and groom at its head, self-conscious, pink cheeks, demure,

with the family and supporters crowding close behind, the best man a proud and whiskered corporal-of-horse in the Life Guards, an excited bridesmaid on his arm. All is fresh and lively, the principal figures confidently realised and convincing, the village landscape beyond deceptively with an admirably effective, almost impressionistic directness and freedom.

Sock-it-to-'em time with Liza

An Evening With Liza Minnelli (EMI) is a case of pure arson. Miss Minnelli, with her face of an organic plexus and her long-legged figure, like a slight, lithe, and the stage slight for 80 minutes. The confabulation is thus more gratifying since we live in an age of mealy-mouthed movie musicals where poor Miss M hasn't flexed her toes and tossed in a good song-and-dance film since *Cabaret*.

So ball to this New Orleans concert, recorded for TV and video in 1980. It shows the star at the height of her astounding powers. Combine the voices of Judy Garland, Judy Garland, with the staminal and physique of a Joan Sutherland, and the combination comes as near to the Broadway-bionic as you could wish. On an orchestra-backed stage, she sings with lightning, and her sashays, "Life Is A Cabaret," "City Lights," "Everything's Coming Up Roses," and many more.

In true sock-it-to-'em 42nd street style, she alternates pillified wide-eyed pianissimos with almighty trumpet-toned fortissimos (enough to make

Ethel Merman seem a shrimking nightingale). And what musical star has ever done between-soaps patter better than Minnelli? One moment she's over come by wildly extravagant gratitude for our presence ("Oh! I'm so thrilled to be here!"), the next she's happily lampooning us with clipped and 40-cent polysyllables, introducing a depressed housewife

sion). If only it were so. Sissy Spacek starred in this maudlin movie made for U.S. TV in 1977 before she reached globe spanning fame in *Carrie*. She also wroic and sings the Country and Western ditties which twang through the dreadful tale of a well-faced hitch hiker (Miss S) and the stupid, cold, handsome divorcee (Monty Markham) who picks her up and falls in love. The songs are resistible, the direction is corned, and the script should have been run over by a large articulated lorry in the early stages of development.

Also from Precision is *The Elephant Man*. Not the motion picture, wherein John Hurt donned monstrous maquillage to play the deformed Victorian John Merrick, but a TV adaptation of the earlier Broadway production of the play by Bernard Pomerance. Worth a good performance by Philip Anglim as Merrick, only played with no makeup, only an artfully hunched physique and distorted voice, only a staunchly if unconvincingly literate.

A word in your ear about Precision Video. Many of the

tapes I've seen are very poor transfers, with picture rattles, occasional losses of colour and frequent white blip lines at top of screen. Video companies shouldn't be in the business of marketing tapes at the current high prices if they can't run out elementary technical hitches.

But good news from Longmans Video. They are now issuing a series of movie classics which look like being a fine addition to your video library. I have seen Bergman's *Wild Strawberries* and Renoir's *La Règle du Jeu* thus far, and both are excellent quality cassette versions. Future titles due, shortly, include two more vintage Bergmans: *Summer With Monika* and *Scenes From A Marriage*.

Finally, the *Scoring* item of the Week: Granada-TV's documentary cassette *Battle For The Falklands*, which has sold over 10,000 copies in Britain, has just established a roaring trade in another part of the world. The tape is doing big bootleg business in Argentina.

VIDEO

NIGEL ANDREWS

character in one of her songs, she says "Being with her was inevitably a Lughurios experience."

Being with Miss Minnelli is inevitably a dazzling experience. If the movies cannot find a vehicle to suit her genius, this kind of video record is a gloriously ample substitute.

And as to another songbird, "If you liked her in *Confessions of a Daughter*, you'll love her in *Confessions of a Daughter*, the box-jacket for *Ginger in the Morning* (Preci-

Life goes on with a Byng

I can't go without a few words on the Budget coverage by the BBC. They began with what can only have been an attempt to do on Sunday on Radio 3. While the papers were announcing in the indicative mood just what Sir Geoffrey was to do, John Vaizey told us in *The Politics of Optimism* that planning was never much good, since plans were always overtaken by the unexpected—a thought that may have occurred to the Chancellor as he contemplated the antics of Opec. Lord Vaizey's interesting programme called in an assortment of experts, including Sir Alec Cairncross, who two days later supplied Mr Foot with a lot of ammunition for his damning of the Budget.

Tuesday afternoon should have led off with Radio 2's *Budget Special*, which Radio Times illustrated with an unflattering picture of Dominick Harrod. Promptly at 3.05, up came Jimmy Young and put on a record of Elvis Presley. There followed congratulations for someone's 50th birthday anniversary and another record. Then we had the prices for the Champion Hurdle at Cheltenham, another record, and the

plus riauq, but as he told us, it was not a record. It was so it was. When he says in one of his favourites among his songs, "I'm a tree," that "Now perspiring hikers clean their bikes against my torso," the amount of double entendre you find in it depends on your familiarity with the Byng manner, though in the following branches we could sympathise that "all my children now are faggots."

Dougie Byng always maintained his respectability. He was a pantomime dame for centuries, but "I was always snobbish about my dimes. I wouldn't play the cook, I made her a housekeeper. His first professional series was in 1937. For six years he played in C. B. Cochrane's revues, besides doing cabaret, first with Lance Lister, then on his own. It was in cabaret that he first began to appear in drag—"You can be a hit more risqué as a woman," he told us, the wicked old sexist.

In 1938 he was in *Marizza*, to which he contributed a song for himself called "I must have everything Hungarian." Naturally enough, triplicate rhymes, being in short supply, it con-

tributed the line: "You can live to be a faggot." It was not a record. It was so it was. When he says in one of his favourites among his songs, "I'm a tree," that "Now perspiring hikers clean their bikes against my torso," the amount of double entendre you find in it depends on your familiarity with the Byng manner, though in the following branches we could sympathise that "all my children now are faggots."

Radio 3, unfortunately, has a fallible sense of humour. They give us little five or ten-minute comic sketches now and then, which sometimes reach depths of facility even an un-snobbish dame would turn her nose up at. The latest of them, which has been on this week, are called *Snippets Two*, which suggests that there have been snippets before, though I am glad to say I didn't meet them.

The first snippet was about Canterbury Cathedral. N. F. Simpson (for it was he) read in a handbook that the Cathedral "was built in 1070 by Archbishop Lanfranc," and he devoted his time to the pretended misunderstanding that the Archbishop built "it" single-handed. Then we had a bit about the do-it-yourself activities of the Goodenoughs, Schopenhauers, Rousseaus, and Newtons. The manner was the manner of the old M. F. Simpson. The achievement wasn't.

RADIO

B. A. YOUNG

is out of my province. Let me turn instead to something at the other end of the intellectual spectrum, a fascinating programme that Radio 4 gave us on Wednesday, Douglas Byng at 9.0. Frankly, I was as much surprised as I was delighted to learn that Douglas Byng was alive; and since he is able to sing a new song, one of his own, at that age, there seems no reason why he should not go on to 90.

When I was young, Douglas Byng was *tout ce qu'il y a de* (simultaneous broadcast with BBC2, 7.30 James Long, 10.00-12.00 Gary Davies, 1 and 2 — 10.00 pm Northern Ireland, 11.00 pm Murray's Late Show (s), 11.30-5.00 am Night Show 2.

RADIO 2
8.00 am David Jacobs (s), 10.00 Sounds of the 80s (s), 11.00 Album (s), 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions, 9.00 pm The Impressions, 10.00 pm The Impressions, 11.00 pm The Impressions, 12.00 pm The Impressions, 1.00 pm The Impressions, 2.00 pm The Impressions, 3.00 pm The Impressions, 4.00 pm The Impressions, 5.00 pm The Impressions, 6.00 pm The Impressions, 7.00 pm The Impressions, 8.00 pm The Impressions

Saturday March 19 1983

Our vaunted impotence

THE GOVERNMENT'S rhetoric is really very odd, if you come to think about it. For all its declared firmness, the Falklands effect and the rest of it, its central claim is often that it is helpless. It cannot create jobs, or indeed affect growth, except when these results are claimed to follow from a reduction of inflation. The Budget is therefore dressed up to look as routine as possible. Equally, although we are now a major oil producer, whose pricing and depletion policies are a matter of acute anxiety in the world market, the Government ostentatiously has no policy.

This notion of an all-powerful market is a very comprehensive alibi, which seems to convince a lot of observers. But it does not quite match the facts. For example, one of the least-noticed passages in the Budget speech drew attention to new Government measures designed to encourage local authorities to raise their capital spending.

Enduring

In other words, the Government does admit that public spending can create jobs; and if they result in new roads, a refurbished housing stock, and necessary maintenance work being brought up to schedule, they are real jobs creating real value.

This has to be said quietly rather than from the rooftops for a number of reasons. The best reason is that the Government's underlying message of self-reliance has begun to produce some hopeful and helpful results in the field of labour relations and productivity, and this is the Government's most enduring achievement, or so it is to be hoped. The idea of the Government as a job-provider in the sky would water that message down.

The truth—that public investment must be constrained by financial conditions—does fit in with the market rhetoric; what this conceals is that the market constraints do not rule out considerable freedom of choice. An expenditure of £1bn on investment does far more to create employment than a tax cut of the same size.

Constraint

Equally, the constraint itself is not as tight as Ministers proclaim it to be. The apparently tight borrowing target for this year has a good deal more to do with financial window-dressing than with firm policies; the Government admits that it is quite likely to be reversed. It is no doubt hoped that this reflation by stealth will do some good to the economy while leaving the rhetoric intact; but it is reflation all the same.

Much of the apparent elation of the Budget is therefore a misleading expense of hot air. Where the Government and the Opposition (Labour and Alliance alike) really differ is not whether to rebuke, but how much. The kindest comment on the rival bids is that budget-making is always delightfully easy in opposition. In office, a rival Chancellor might produce much the same fiscal stance, but dressed up in overstatement rather than understatement.

Recovery

There is one very good reason to keep the stimulus modest: there are clear signs that our long-delayed recovery is now starting in earnest. This is not an imaginative Budget, and it is sad to record the apparent retirement of Sir Geoffrey Howe, tax reformer. It is not over-cautious on expansion, though; that is simply rhetoric.

A growing economy ought to keep government revenues and borrowing more or less on track, in spite of very tight budgeting this year—for after deducting the allowance for under-spending, the expected revenue is fully committed for 1983-84. The one thing that could upset this forecast is, of course, a sharp drop in oil prices, or North Sea production—or, if the price dropped a really long way, quite possibly in both.

Since oil taxes have rather a low "demand weight" it is an open question how much this would matter; but it does underline again the fact that the oil market involves our national interests.

Pretext

In these circumstances, it is quite unlikely that our policy is as passive as our official rhetoric; the reason for pretended helplessness in this case is not so much to sustain the psychological momentum as for fear of offending anyone—either Opec itself, or our EEC partners or the Americans. We do not have the French willingness to assert our national interest shamelessly, and it is far from easy to determine just where that interest lies.

There is a growing consensus, though, that it lies in stability rather than in any particular price level—a stability which might be best assured by some dialogue between producers and consumers. The balance sheet, diplomatic proposition—and the British traditionally love such challenges. Here, it is to be hoped, something is quietly stirring, for Britain is in the pivot position; but if anyone asks, we are helpless.

ELIZABETH CHESTERTON had been awake for most of Tuesday night, planning her time of attack.

The was determined not to allow her husband Anthony to postpone for yet another year the building of a second bathroom for themselves above the garage of their Roebampton home.

"Would not all those tax changes in today's Budget give us enough extra money to build the extension?" she had asked Anthony as they lay in bed.

"Which tax changes are you talking about, dear?" he asked languidly. "Some are good for us, some are bad. You cannot just look at the good ones, you know. I will do the sum."

"But you have been saying that for three years," she complained. "Now Morcia is eight and Michele is five, we need a second bathroom."

Elizabeth waited until eight o'clock when, as usual, Anthony left the house and drove off in his company Capri 2000 to the offices of Sillich, the micro-electronics firm, where he is marketing director.

She then telephoned Anthony's friend, George, a qualified tax accountant with a small company, Greasy Widgets. "George, can you help me?" For the last few weeks Anthony had said that we could afford a second bathroom only if there was a good Budget. Now he's stalling again. Is it a good Budget?

"It's always a good Budget, even when the Socialists are in power—provided you know how to handle it. With every tax change, there has to be a loophole, that's my motto," replied George. "Why don't we meet for lunch today and I'll go through the Budget measures with you? I'm sure you could afford the bathroom—as long as you don't stop Anthony investing in our company. He's picked a winner, you know."

Before leaving the house for work, Elizabeth collected her own and her husband's tax returns from the previous 12 months. Since her two girls had started kindergarten and school and she had resumed working full time as a public relations officer with an advertising agency, the increase in her salary to £10,000 made it worthwhile for her and her husband to elect to be taxed separately.

At lunch-time, when she walked over to a restaurant 300 yards from George's office, she was fully equipped with facts and figures.

"How are you, Elizabeth, and how's your father?" asked George.

"He tries to keep cheerful, but it's difficult. He seems to spend most of his time on a dialysis machine," she replied. "He's been out of a job for two years and I don't think he'll ever get one again. What sort of future is that for a man of 56? He has great difficulty in getting out at all. We try to help him financially—but he doesn't like taking money."

Elizabeth and George paused to look at the menu and then returned to the question of

WILL THE TAXMAN PAY HALF THE COST OF THE THIRD GARAGE TO PUT OUR FOURTH BATHROOM ON TOP OF?



whether the Budget would save the Chesterton family enough money to spend £5,000 on a second bathroom.

"Let's look at the bad news first," said George. "Tony's wheeze of filling up his car at the garage opposite his office and putting it on the Sillich account isn't going to stop the taxman any longer. He's going to have to pay income tax on the free petrol he receives which from now on will be taxed as if it was worth £850 a year, however much he uses."

"And his company Capri will make him taxable for another £165 a year from next month because the size of his engine puts him in the top band. But he shouldn't give up his company car. If he received the cash equivalent from Sillich, he would have to pay twice as much tax on it."

The increases in taxes on petrol, cigarettes and alcohol would cost the Chestertons an extra £40 a year, George estimated, and both Anthony and Elizabeth would have to pay higher National Insurance contributions as a result of changes announced in November.

"Is there any more bad news?" asked Elizabeth.

"Well, I know Anthony was keen about a company scholarship scheme he'd persuaded Sillich to set up," said George. "The idea was that Sillich would pay the school fees for little Marcia, and other children of employees; but that you wouldn't have to pay income tax on the money she'd get."

George shook his head regretfully. "An immaculate piece of tax-planning—we were going to do the same at Greasy Widgets. I remember the excitement,

when the news broke that the House of Lords had overruled the Inland Revenue and said that such schemes were kosher. I stayed up until four in the morning working out variations on the theme. And now the Chancellor has said he is going to reverse the court decision."

Elizabeth waited respectfully while they tasted their soup. "But that's all the bad news," George went on. "Everything else in the Budget looks fairly positive."

He pulled out his pen, turned the menu over and sketched out a table, using the tax return forms that Elizabeth had thrust under his side plate. "The 1983 Budget will be remembered for its 14 per cent threshold rises," he informed a mystified Elizabeth.

"He explained that both she and Tony could earn £1,735 free of tax in 1983-84. Instead of only £1,565 in 1982-83. In addition, Tony would start paying more than the basic 30 per cent rate of tax only at £14,800, instead of £12,800 last year. And similarly with the other thresholds beyond which Tony was liable to pay 45 and 50 per cent tax on the last two slices of his £30,000 salary."

George hunched through Elizabeth's other papers, showing her investments.

Your shares in Barclays will be giving you higher dividends. But don't get too excited about that—the taxman will take half of the benefit. He reminded Elizabeth that under his rules the Inland Revenue treated her investment income as though it were Tony's.

After carrying out a few operations on his pocket calcu-

lator, George tutted in disapproval. "It looks like you should be making about the same amount of investment income as you did last year, £8,000—far too much. But at least you'll only have to start paying investment income surcharge—which is an extra 15 per cent on your top rate—after you've made £7,100. Last year the limit was £6,250. And as you have allowances which you can offset against the £8,000 you should escape."

"But what's wrong with making £8,000 from our investments? I think we've done rather well," said Elizabeth, offended.

George breathed in deeply. "Suppose you'd invested in my meal of fish and chips. I would have to give you an annual return of, let's assume, one per cent. If the taxman recognised the chip as investment income he would take 75 per cent of it. He plucked the chip out of her hands and swallowed it, leaving her the stub.

"But if I decide to call the chip a potato sauté and perhaps add a little salt to make the change more convincing, then the taxman is the one who is left with the stub," he said. "In the world of finance cosmetic changes like this are often all you need to convert investment income into a capital gain—index-linked."

George explained that there were a proliferation of schemes designed to convert investment income into capital gains for tax purposes. One of the simplest, which, contrary to widespread fears, had been left unscathed by the Budget was the use of offshore "roll-up" funds.

"You could also tell Tony about another form of investment which has been encouraged by the Budget," said George. "As he's already over 40, it could be useful for planning his pension. Tell him to look out for 30-year deeply-discounted bonds issued by companies. I'm trying to get Greasy Widgets to issue one. I had a look at them when I was in America. They're marvellous things. You see you buy the bond now, the interest builds up, but you don't pay tax until the repayment date. By then you'll be retired and in a much lower tax bracket."

Elizabeth nodded vigorously, feeling guilty at losing concentration. But George had regained his enthusiasm. "One thing you must emphasise to Tony—all the money he invests in Greasy Widgets next year, be it cash or his tax bill, thanks to Sir Geoffrey's concession to small unquoted companies, Tony invested £2,500 in us last year. Next year, if he puts in only half that amount, the Inland Revenue will contribute the rest."

He leaned over and whispered. "We used the capital relief to produce our new miniature, self-insulating, self-regulating screw powered by a magneto-hydro-dynamic solar panel."

Elizabeth was not impressed. "I don't mind Tony investing his money with you, as long as he doesn't stop our donations to the British Kidney Patient Asso-

TAX AND NATIONAL INSURANCE

	Pre-Budget 1982/83	Post-Budget 1982/83
Salary	30,000	30,000
Benefits-in-kind: Car*	810	975
Fuel	—	680
Total emoluments	30,810	31,655
Wife's investment income	8,000	8,000
Less: Mortgage interest	(2,500)	(2,500)
Allowable charitable covenant	(3,000)	(3,000)
	33,310	34,155
Less: Business expansion relief	N/A	(2,500)
	33,310	31,655
Less: Single person's allowance	(1,565)	(1,765)
Taxable income	31,745	29,890
Tax thereon	13,217	10,260
Basic rate tax deducted and retained on £2,000 (£5,000-£3,000)†	(600)	—
	12,617	10,260
National Insurance (Contracted out, max)	753	873

	1982/83	1983/84
Salary	10,000	10,000
Less: Wife's earnings allowance	(1,565)	(1,765)
Taxable income	8,435	8,235
Tax thereon @ 30% N.I. contracted in	2,531	2,471
	5,904	5,764
Total tax and N.I. paid by husband and wife	16,774	14,994

* Car benefit: The scale benefits applicable to the company car for 1982/83 and 1983/84 are £540 and £650 respectively, but the actual taxable benefit is 1% times these amounts as the mileage is less than 2,500. † The last £2,000 of the charitable donation made in 1982/83 is less than £2,500. The last £2,000 of the charitable donation made in 1983/84 is less than £2,500. Basic rate tax relief of 30 per cent. Basic rate tax has been deducted from the covenant and reclaimed by the charity from the Inland Revenue.

ciation. You know how important it is for us to help them. After all papa has gone through these last five years. We've made a four-year covenant to give £5,000 a year and we mustn't break it."

"Don't worry about your charitable gifts," said George. He explained that the Budget allowed the full £5,000 donation to be offset against the couple's top marginal rates of tax, as with the small business investment relief. Previously, only £3,000 of charitable donations could be offset against higher-rate tax.

"Well, it looks as though the Budget will save you over £2,000, more than enough for the bathroom, especially if you switch your investments," said George, looking over the figures on the menu. "But you must do it by raising another £5,000 mortgage to cover the cost. You have only a £25,000 mortgage at present, and the Budget has raised the limit for tax relief on the interest to £30,000."

"But why should we borrow the money if we don't need to borrow?" protested Elizabeth. "Because that way you effectively get the Inland Revenue to pay for nearly half the cost of your bathroom," replied George. "You'll start by pay-

ing about £800 interest a year, but that will come off Tony's top marginal rate. So, net of tax, you'll only have to pay £200 interest—and the capital repayments will seem less over the years because of inflation."

"On Thursday evening after dinner, as Anthony switched on the television, Elizabeth confronted him. "This is how George and I worked out we could afford the bathroom," she said. "If you agree with the calculations, I will contact the architect tomorrow."

Her tone warned him that three years of stalling were coming to a rapid end. "Very well, dear, I will look at them. An hour later, Elizabeth returned. Anthony pulled himself up in his chair. "I have spotted a few errors here and there," he said, "but the figures are basically sound." Elizabeth smiled triumphantly.

"By the way, George, also mentioned a new way of planning your pension. I did not understand it exactly but it was something to do with Greasy Widgets making potato segments 'out of chips', she explained. "I think he said they had to be 20 years old and deeply-fried."

Additional research by Arthur Andersen and Co.

Letters to the Editor

Organisation

From Mr R. Kelly
Sir—Your article on attitude surveys in Britain (February 23) ought to stimulate thought and provoke discussion among managers and union leaders alike. Greater emphasis should be placed on the individual and human resources development in corporate planning. It is often the outsider who pinpoints a company's inherent weakness which in many instances can be improved by norm change training. Worker attitudes can have a tremendous influence on company operations.

Attitude surveys in themselves are useful in achieving certain objectives but it is the overall climate of a company that is important and this can be measured by using those approaches which preserve the dignity of the employees throughout an organisation and evicting the simple element of trust by practising "open management" which in turn helps to develop acceptable norms and encourages a sense of loyalty which in this day and age is often considered a somewhat archaic term in the larger concerns.

The "them and us" syndrome which permeates so many of the businesses today must be treated and, though a cure may be ruled out, definite improvements could be achieved if boards and even the small scale employer were to seek an answer to the question: Can we (with hand on heart) boast of an acceptable working climate in our organisation—far all?
Mr J. Kelly,
PO Box 982 Cairo,
The Arab Republic of Egypt.

Liabilities

From Mr S. Greggins
Sir—Mr J. Beeching (March 15) asks how many manufacturing companies would still be solvent if redundancy costs were to be legally included as

with. By definition contingent liabilities do not affect net worth at the balance sheet date and on a note of such liabilities is required in the financial statements. If however, future redundancy costs were material, meaning such a note to the accounts were required, then it might also suggest that the company concerned might be expected to liquidate or significantly curtail the scale of its operations.

In this case the going concern concept upon which all company accounts are normally prepared (unless otherwise stated) may be inappropriate and a liability for redundancy costs would need to be provided for in the balance sheet. Because of the possibility of a subsequent forced sale a downward revision of the balance sheet values of fixed assets and stock from cost to market value may also be required.
Stuart Greggins,
89, Albert Road,
Richmond, Surrey.

Telecommunications

From the Chairman, Air Cott
Sir—Now that the Second Telecommunications Bill has passed through its committee stage, we breathlessly await the appointment of a director of the Office of Telecommunications which all parties at the committee declared should also encompass the radio regulatory responsibilities for frequency allocation. Privatisation, however, will be delayed until after the Election, but already entrenched interests have indicated ways in which they intend to hobble the legislation and make it ineffective.

The problem is of such magnitude and so technically complex it would be sensible for the Government to plan to carry out privatisation in two stages. In this way ordinary ministers may be able to master the issues and the opponents more simply.

equipment, and their international entry ports or connections should be subdivided from the rest of British Telecommunications activities.

All the other activities such as answering, paging, telex, PABX, facsimile, instruments, bureau service, radiophone, cellular, electronic mail, etc., should be sold off in separate lots as is proposed in the German monopolies report.

If it is decided that BT should be allowed to retain a 49 per cent investment interest this could be allowed but there must be no outright or shared control by BT. The monies from these sales can then all be spent for replacement of the basic network which is unsatisfactory and 20 or more years out of date. Only when substantial replacement has occurred will BT be able to fair play without over-charging the customers.

J. O. Stanley,
176-184 Vauxhall Bridge Road,
SW1.

Friendship

From Mr F. Corpanini
Sir—It was refreshing to find a review (March 12) on your books page on the recently published edition of the Pound/Ford friendship, especially that your reviewer is not trying to be much written prose that Pound accomplished in the 1930s on "economics."

Having had the opportunity of knowing Mr Pound in his latter years, I smile very much when I read the countless reviews on "the tragic career and bitter repentance" of a man who, when he walked the streets of Venice or Rome was addressed by the ordinary man in the street as "Signor Poeta."

Pound was not trying to be the "Latin Quarter intellectual," neither was he a "failed academic," but an honest artist in pursuit of an ideal. Perhaps Mr Watson (your reviewer) has forgotten the dedication in the "Waste Land,"

Watson is concerned with the academics. It recalls another failed academic who found difficulty in his latter years of earning sufficient salary to live because of his lack of academic experience, in fact he had no degree—the much neglected contemporary of Pound: Wyndham Lewis.

I don't understand Mr Watson with his innuendo: "... taking a mistress because that is what poets are supposed to do, and wearing a big, bimmed hat for his reason."

With a further example of a lack of knowledge of the facts. "And, always, name-dropping learned." Here again it would be better if your reviewer acquainted himself with the recent publication of the "Ernest Hemingway letters" but on this point we must take care because, again, we do not have an academic.

Does one have to be an academic to be an artist in one's profession, and repentance for a little eccentricity which allows an artist's disgust with a clash of European dogged mentalities—a much milder form of which can be seen in the EEC today. But the whole essence of the Pound/Ford friendship, and it was more than literary when Ford in his latter years was in the throes of financial problems, was the honesty between writers. Where does one find that today?

Ferdinando Corpanini,
27, Mortice Road, W8.

Films

From the Managing Director, Osprey Films
Sir—While agreeing with John Chittlock (Video and Film March 15) that the CO (in screening our films for foreigners) may increase Britain's reputation abroad, I consider these services do little to enhance the foreign sale of the films and may even damage the prospects. On one occasion I was poised to close a sale to a Polish distributor visiting London until he learned of the

Warsaw to whom I had generously loaned a print!

I believe sales would be greatly assisted if our embassies and consulates abroad could be encouraged to cultivate the interest of local distributors in British films. In a number of other countries, their foreign embassies actually host receptions or the like for local distributors at which the visiting producer can discuss and even screen his film to a captive audience.
Keith Turner,
120, Pall Mall, SW1.

Cashless

From Mr D. Reid
Sir—The Truck Acts do not form a barrier to cashless pay (March 15). The apparent barrier was overcome in the case of *Brooker v Charrington Fuel Oils* 1981 IRLR 147 heard before Mr Justice Magnus.

This case centred on whether or not Mr Brooker was a workman and, although having found he was not, the judge made some observations on whether payment by cheque made payable to cash or by giro-cheque was actually a breach of the Truck Acts.

The judge's observations were "In both cases, all the recipient need do is go to the bank or post office, hand in the cheque and draw his money in 'current coin' of the realm" over the counter. The Acts do not specify where the wages shall be paid. In a large organisation, the workman might have to go some distance to obtain his money, or his employer might give him a chit with he was to present to a pay office in order to draw his wages.

There would seem to be nothing in such an arrangement which would be inconsistent with the Acts. I cannot see that any distinction between that and the handing of a cash cheque or giro-cheque to the workman so that he may go to the bank or post office and draw his wages in cash. It might not be so convenient for the workman, but

ACCOUNTING INFORMATION FOR SALE

The Financial Times World Accounting Report combines the unrivalled accuracy and authority of the FT—with its worldwide news-gathering resources and highly developed research facilities—with the exclusivity, depth-of-detail and conciseness of a specialist newsletter.

In a period of rapid change in accounting practices, standards and theories, each monthly issue of the Report covers and analyses the most significant international developments in accounting. The newsletter provides comprehensive coverage of:

- ☐ Accounting standards and company law
- ☐ Stock exchange requirements
- ☐ Auditing
- ☐ Accounts of multi-national companies
- ☐ The worldwide trend towards inflation accounting

To: The Marketing Department, FT Business Information Ltd., Bracken House, 10 Cannon Street, LONDON EC4A 3DF.
Please send me a sample copy of World Accounting Report together with full subscription details.
Name _____
Position _____
Company _____
Address _____
Telephone _____
Nature of Business _____

March 23rd, 1983 Sheraton goes Italian

Sheraton Roma Hotel

All that a de luxe hotel can give you
and even more.



18 suites, 2 presidential apartments, 680 double rooms, a convention hall for over 2,000 people, 21 meeting rooms, a banquet hall for 1,400 guests, two restaurants, a bar, a discotheque... no other luxury hotel in Italy can offer you all the facilities available at the Sheraton Roma Hotel. For instance, if you like sports, the Sheraton Roma Hotel has tennis and squash courts, a jogging track, a heated swimming pool, a sauna and Turkish baths. And there's even more. If you travel with Alitalia, you'll find an Alitalia check-in point at the Sheraton Roma Hotel, to help you check-in quickly and conveniently.

It only takes minutes to get from the Sheraton Roma Hotel to the city centre or to Fiumicino airport. For reservations at the Sheraton Roma Hotel or at other Sheraton Hotels worldwide, please call London (01) 6366411 or your Travel Agent.

At the time of the opening of the hotel the discotheque and the squash courts may not be operational.


**Sheraton
Roma Hotel**
SHERATON HOTELS & INNS, WORLDWIDE
VIALE DEL PATTINAGGIO - 00144 ROMA, ITALY
Telephone Roma (06) 5459... Telex Sheraton 514222

Waring & Gillow suffers £0.78m deficit at halfway

FURNITURE AND carpet retailer, Waring & Gillow (Holdings) has suffered a deficit of £777,000 for the six months ended September 30, 1982, compared with a profit of £1m last year.

Mr. Manny Cussins, chairman, says that results were disappointing, and reflect the difficult trading conditions throughout the period, as well as high interest rates—up from 8.75% to 12.75% for the six months.

However, he adds that there has been an improvement in UK trading in the second half and seven stores are now operational in the U.S. and are beginning to trade profitably. As a result, the directors expect the company to show a small profit for the full year.

The dividend is halved from 1.5p in 0.75p net per 25p share.

—last year's final payment was 0.5p and pre-tax profits came out at £896,000. Loss per share is

given as 4.24p (6.43p earnings). Excluding VAT, turnover for the six months was down slightly at £42.1m, against £42.43m and the pre-tax figure included an exceptional credit, much lower at £165,000, compared with £855,000.

After a tax credit, £115,000 (nil), and an extraordinary debit of £123,000 (nil), the available figure came through as a £774,000 loss, against a £1m profit.

comment

Shares in Waring & Gillow dropped 3p yesterday to 95p after a particularly poor interim performance. There are some grounds for recovery, the fledgling U.S. operations are now going cash positive and management expects to justify the expense and efforts of the Florida concessionary expansion. More importantly, W & G is highly operationally geared and

anything other than a fractional shift in volume, to say nothing of inflationary sales projections, is going to come through straight onto the top line. Fundamentally, after looking backwards at its bottom of the range competitors, and sideways at its vastly more successful peers, in the middle price structure, W & G now seems to be sorting out its hitherto muddled merchandising strategy and can expect to benefit from a precise attack on stylish, cheap furniture for first time buyers. So much for the future. The retail sector is plainly prepared to turn on its weaker brethren and W & G could be a victim. Backed by assets of 175p per share at the directors' internal valuation, the group acknowledges that GUS, its 31 per cent holder, would waver in the face of a bid pitched at about 200p. Recent share buying is said to be light but very speculative; it must be hard to fault that view.

Staffs Potteries reduces midway loss

FOR THE six months ended December 31 1982 Staffordshire Pottery (Holdings), earthenware pottery manufacturer, has reduced its taxable losses from £294,000 to £172,000.

The directors continue to take a cautious view of the future, despite the company's progress during the second half of the year. Loss for the whole last year was £880,000.

Turnover amounted to £8.54m at midway, compared with £8.41m, and the pre-tax figure was after interest payable, down at £393,000 (£472,000). After a tax credit of £35,000 (nil) loss per share is given as 5.11p (8.71p).

Since September last year, there has been a small sustained improvement in the home market and, in particular, new product lines are being well received. Productivity gains and effective cost control have combined to improve margins. Positive cash flow has reduced working capital and at December 31 last, compared with £130,000 at June 30, Mr. Bill Bowers, chairman, says that the Royal Winton division enjoyed a successful half year and new product ranges are being well received. After a difficult start at the West of Scotland orders in house have progressively increased, although margins "must still be further improved."

The chairman adds that there are clear signs that steps taken to reduce the cost of raw materials and to improve efficiency are having an effect.

Although demand in North America continues to be very depressed, inventories have been further reduced and are now at a level which will enable the company to concentrate efforts on developing higher margin business.

A reduction in operating costs and improvements in efficiency will follow from an agreement now being implemented with the Staffordshire Pottery (Canada) and Canadian Glass and Glassware.

comment

In the 1981-82 financial year Staffordshire Pottery saw its small first-half operating profit wiped out by losses in the January-June period. The experience may have left management understandably jittery and the company's latest forecast for "modest progress" in the second half of this financial year is particularly vague. The chairman's remarks, however, suggest that the company's losses are being reduced and that the company is making money in the second half after interest charges and the full year loss should be considerably less than that of the interim. Even so confidence outside Rushden might take a little longer to revive.

BIDS AND DEALS

BY CHARLES BATCHELOR

John Mowlem, the construction and mechanical engineering group, is buying Buehler, a privately-owned U.S. manufacturer of specialist laboratory equipment, based in Lake Bluff, Illinois for \$24m (£16m).

This move, Mowlem's most ambitious U.S. acquisition to-date, will be partly funded by a two-for-seven rights issue which will raise £9.6m net of expenses.

It accompanied the rights issue announcement with an estimate that pre-tax profit rose to about £8.5m in the year ended December 31, 1982, from £7.8m. Mowlem will recommend a final dividend of 8.4p, representing a total payment of 10.5p, an

increase of 9.1 per cent. Buehler, which makes equipment for analysing the micro-structure of materials for use in metallographic and other industrial laboratories has guaranteed operating profits of at least \$3.2m in the year ending September 30, 1983.

This compares with profits of \$3.7m last year on turnover of \$24.9m. Mowlem said it thought the operating margin of about 15 per cent was satisfactory. Buehler's net assets at September 30, 1982 were \$11.5m.

Buehler's business is similar to that of Solitest, a Mowlem subsidiary in the U.S., and its British company, ELI, said Mr. John Poole, a Mowlem director

and chairman of its technology division. Solitest, Mowlem's first U.S. acquisition in 1980, made an operating profit of about \$1.5m on turnover of \$20m last year, while ELI made profits of £1m on turnover of £8m.

Mowlem will ask its shareholders at an extraordinary meeting on April 5 to approve this deal and the issue of up to 8.65m new shares by way of rights at 178p per share. The issue has been underwritten by merchant bankers Kleinwort

Benson. Brokers are Hoare Gorton.

The previous owner and president of Buehler was Dr. Daniel Albrecht, 46, and his wife Dr. Buehler will remain as chief executive for up to 21 months while Mowlem looks for a "conventional manager."

Mowlem had net cash balances of about \$2m at February 28 1983 and considers these adequate for present levels of business, but said the rights issue would allow it to "take advantage of further opportunities that may arise."

Mowlem currently has a forward workload of £250m, more than at this time last year. Mowlem's share price rose 5p yesterday to 226p.

Throgmorton bid values Pentland at £52m

BY CLIVE WOLMAN

THE TAKE-OVER bid announced yesterday for Throgmorton Investment Trust, managed by East of Scotland Investment Managers, comprises an offer of shares and debentures, of approximately equal value, in Throgmorton.

The offer value Pentland at £52m, or 25p per share, and is slightly below the trust's estimated net asset value yesterday.

The counter-proposal, made by Pentland's managers, to merge the trust with two other investment trusts and to utilise their combined assets, values the trust's net assets at 30p. But the costs of utilisation are likely to reduce assets by about 5 per cent.

Throgmorton has gross assets of £90m, invested almost entirely in UK equities, and specialises in investment in smaller service companies. It has about £12.3m unlisted securities and £7m of borrowings.

In February it made a recommended £16.8m offer for R.

Green Properties, a property and development group operating in South-East England, which has now been declared unconditional.

The acquisition of R. Green is expected to generate sufficient franked income for Throgmorton to allow it to issue loan capital and be able to offset all its interest payments against liability to corporation tax.

The Throgmorton management stated yesterday that the reason for the acquisition was to inject a substantial number of overseas equities into its portfolio, approximately 48 per cent of the Pentland portfolio is invested overseas, primarily in the U.S.

Throgmorton is offering Pentland shareholders £145 nominal of Throgmorton debenture stock redeemable at par in 2010 for every 100 shares held. The debenture will bear an interest rate to be set at a margin of 1.4 per cent over the gross redemption

yield of a comparable gilt-edged security. Treasury 13½ per cent 2004-06, on the day the offer becomes unconditional.

The number of Throgmorton shares Pentland shareholders are to be offered will be determined by a formula relating the net asset value per share of Pentland to 80 per cent of the net asset value of Throgmorton on the day the offer becomes unconditional.

A cash alternative is also being made available to comply with the requirements of the Takeover Code, through Throgmorton's merchant bank Charterhouse Japhet. But this is worth only 245p per Pentland share.

Under the counter-proposal, Pentland would merge with the Dominion and General Trust and the Scottish Ontario Investment Company. The combined assets of the three trusts worth nearly £110m would be re-cast into several specialist unit trusts,

according to Mr. Richard Brotherton, a director of East of Scotland.

Prior to yesterday, both Dominion and General, which is managed by the Edinburgh-based company, Chase and Tait, and Scottish Ontario, managed by Martin Currie also of Edinburgh, had announced proposals for acquisitions following pressure from their institutional shareholders.

The performance of Pentland's portfolio managers in recent years has been partly responsible for the build-up of take-over pressures. In terms of total returns to investors over the past five years, to December 1982, Pentland is placed 82nd in a list of 130 investment trusts. But its 1982 performance put it 34th in the table.

Approximately 66 per cent of its shares are believed to be held by institutions, with the remainder by private investors. Living disproportionately in Scotland.

Strong & Fisher dives into red

HEAVY losses were incurred by Strong & Fisher (Holdings) in the 26 weeks to January 1 1983, and a couple of closures have resulted.

Pre-tax losses of this clothing and fashion leather manufacturer were £1,129,500, compared with a profit of £330,400 in the corresponding period last year. No interim dividend is being paid against 1.61p, which was the only payment made. Year-end losses allowed £407,000 against £708,000.

Sir Ian Morrow, the chairman, says leather sales declined sharply in terms of volume and value in the first six months, resulting in a loss. In November, capacity was cut back sharply and production ceased at the woolskin tannery at Tiverton and the shoe leather tannery of Harrold Leather Manufacturing Company. This, plus an improvement in orders, has brought the tanneries back to profitability.

He says that until the group can foresee a continuing trend of profitability, any decision as to an ordinary dividend will be deferred.

Group turnover in the first half was down from £19.48m to £17.64m. Trading profit was well down at £182,500 compared with £1.45m, but interest charges fell slightly from £961,500 to £845,100. Depreciation was £193,500 against £211,500. Associates profits were lower at £151,000 (£254,700). Tax was just £600 (£179,100), leaving losses of £826,500 (£495,000 profits).

The loss per 25p share was 7.5p (9p earnings).

Extraordinary costs arose from the decision to cease to trade at Harrold Leather, Janet Ibbotson and the woolskin factory of Strong & Fisher Limited at Tiverton. Costs will be fully quantified when assets have been realised.

comment

Even stretching the imagination it is hard to feel enthusiastic about Strong & Fisher's recent performance. Trading profits are falling fast and while the profit line is struck after £75,000 of redundancy costs the final damage of extricating itself from the heavy loss makers

could run up another bill of £500,000. The enormous debt burden has not eased and borrowings of over £5m are more than £1m higher than shareholders' funds. The shares fell another 2p to 30p yesterday. The company's heavy losses, where the market capitalisation is £3.3m. Shareholders who received underwriters of their duty 16 months ago and stumped up 50p a share for a rights issue today want to take back only out of desperation, that the view from inside the Rushden head office is evidently quite rosy. The company argues that it has closed its loss makers including Harrold Leather which lost £130,000 in the first half; new lightweight products are hitting the right fashion area and sterling's weakness could not be better for a large exporter such as S & F. So far the company is making money in the second half after interest charges and the full year loss should be considerably less than that of the interim. Even so confidence outside Rushden might take a little longer to revive.

Better trend seen at Appleyard

SECOND HALF losses at Appleyard Group were reduced by almost 40 per cent from £27,000 to £16,000, but losses for the whole of 1982 are still expected to be £1.1m against £1.44m. As forecast in the interim report, no dividend is being paid—a nominal interim payment of 0.1p was made in 1981.

Turnover of this distributor and retailer of cars, commercial vehicles and fuel oil, rose from £95.5m to £110.78m. The pre-tax figure was struck after interest and finance charges of £1.59m (£1.2m), but included associated profits of £129,500 compared with £262,000. There was an extraordinary debit of £591,000 against a credit of £591,000.

The directors say the extraordinary debits fall into three categories: the redundancy costs at all levels of its motor businesses and at head office in reduce overheads; the disposal costs of the agricultural machinery activities and a special provision of £500,000 to cover a possible loss on the uncompleted

premises at North Street, Leeds. Commenting on the current year, Mr. Ian Appleyard, the chairman, says that the market in the first two months ran at a level 30 per cent above the previous year, and registrations for the year may be a record.

The loss per 25p share was 15.3p (loss) after 14p.

Analysis of group turnover and

pre-tax losses by division: cars, £86,16m (£74,73m) and £1.7m (£1.1m); commercial vehicles, £11.1m (£10,98m) and £34,000 profit (£144,000 loss); agricultural machinery, £3,67m (£3,25m) and £84,000 (£194,000); fuel oil, £9,86m (£9,54m) and £82,000 profit (£128,000 profit). There was a £232,000 profit of £129,000 from the finance division.

James Halstead's chief takes on executive role

MR. GEOFFREY HALSTEAD, chairman of James Halstead Group, yesterday announced that he has assumed duties as chief executive of the company, taking over from Mr. John Sponson, who has been covering and leisure-wear group.

This follows the announcement earlier this week that Mr. Bryan Morrill, the company's current chief executive, has been invited to join the board of

British Syphon Industries. Mr. Chris Shaw, managing director of Halstead's flooring division, is also leaving to join British Syphon.

The company's share price has fallen from 95p on Monday to open at 76p yesterday. Following the chairman's announcement, the share price rallied to close at 80p.

Results due next week

Last year, Burton proved convincing that it is possible for a retailer to return from the dead. It is an idea which is appealing enough in the public. Now it is making all the running in a clothing industry which in general is struggling to get out of the doldrums. Burton's performance has helped boost first half sales 50 per cent. Analysts predict that the group will announce pre-tax profits for the six months to December on Tuesday of £17m against £14.15m at the previous interim—end and raise the dividend by a third to 3p. Even if sales growth tails off, a 40 per cent increase to £34m per cent for the full year looks possible. The only dull spot appears to be the Ton Shop, the women's wear chain, which may be suffering from a shift in spending patterns. There are signs, too, that its attempts to attract the over-25s are faltering against increased competition, such as Hephworth's Next range. The share price, meanwhile, is influenced more by uncertainties over Burton's involvement with UDS than by the group's immediate trading prospects.

On Wednesday, Britain's largest life group, Prudential Corporation, announces its 1982 results. These will reflect two contrasting influences—very buoyant and profitable life business offset by very poor general insurance results. In 1981, Prudential brought some of the capital profits into its life division resulting in higher surplus coming from life funds and this process is likely to be accelerated in 1982 especially since the life funds will have benefited from last year's market rises in both gilts and equities. Shareholders can expect their share of life profits to advance by a quarter to over £50m. In contrast Prudential's general insurance could show underwriting losses up to £10m to £70m of which around £27m will arise from the reinsurance subsidiary Mercantile and General Reinsurance.

Despite good growth in investment income the general insurance operations could show a slightly higher trading loss of around £3m. Thus total net profits of the group could rise from £43m to £53m and the dividend increase from 12½p to 14p or 14½p. Eagle Star Holdings, also

reports on Wednesday, with the immediate threat of a takeover by Allianz receding into the future. The group's heavy involvement in the UK general insurance sector, especially in liability business, could result in a near doubling of UK underwriting losses to £47m and total underwriting losses up to half to £70m. Higher investment income, better life profits and good figures from the industrial subsidiary Grovewood, should offset the general insurance weakness and leave pre-tax profits slightly lower at around £55m. Shareholders can expect a dividend increase of at least 1p to 16p.

After starting the year on an optimistic note, year-end profit forecasts for cable maker BICC have been scaled down significantly. The important Australian revision followed faintly disappointing interim results, but since then analysts have again been reaching for their red pens. Much of the steep fall in the value of the overseas operations, which contributed roughly two-thirds of BICC's overall earnings in 1981. The important Australian companies were hit hard in the year's second half by a severe

slowdown in the economy and Canadian operations have performed poorly in the face of a deep recession. UK operations are very lean after comprehensive pruning and some benefits in local activities should be derived from the £72m acquisition programme mounted in 1981. The group's heavy involvement in the UK general insurance sector, especially in liability business, could result in a near doubling of UK underwriting losses to £47m and total underwriting losses up to half to £70m. Higher investment income, better life profits and good figures from the industrial subsidiary Grovewood, should offset the general insurance weakness and leave pre-tax profits slightly lower at around £55m. Shareholders can expect a dividend increase of at least 1p to 16p.

Britoil forecast in its privatization prospectus last November that 1982 pre-tax profits, due to be announced on Friday, would be £473m. On the grounds that the company's prediction took an over-optimistic view of oil prices and that sterling slipped more than was anticipated towards the end of the year, analysts now believe that the pre-tax figure could be more like £480m or up to £100m after tax. The net figure, however, is expected to be around £180m. The important Australian companies were hit hard in the year's second half by a severe

Trusts' directors urge rejection of unitisation

THE directors of two investment trusts managed by Williams and Warriner, have urged their shareholders to reject the proposals of unitisation.

Arbutnot, the unit trust arm of Dow Scandia Holdings, has requisitioned shareholders' meetings for April 13 to vote on its proposals to unitise the West Coast and Texas Regional Investment Trust and the Atlanta, Baltimore and Chicago Regional Investment Trust, both formed in 1972.

The managers say that they already have proxies for Atlanta amounting to 142,500 shares and have been informed by the holders of 97,000 shares that they intend to back the board. Together this amounts to 37.1

per cent of Atlanta's equity. In West Coast's case the managers have proxies for 201,000 shares and the backing of a further 1,066,741 shares, equal to 41.9 per cent.

Nevertheless, the directors are urging other shareholders to vote against Arbutnot's proposals. Arbutnot would need to win the backing of 75 per cent of votes cast.

It is believed that both Kleinwort, Benson and Schroder Wagg are understood to be advising their clients to back the boards of the two trusts.

The trust directors are counter-proposing that both trusts amend their articles to give shareholders the opportunity of voting in 1990 on whether to liquidate the trusts or possibly reconstruct them.

Yorkgreen £1.7m placing to finance Stamford deal

Yorkgreen Investments, the lighting products and oil and gas investment group is to raise £1.7m by way of a placing to fund the purchase of Stamford, a Blackpool-based advertising contractor for £1.64m cash.

The placing, arranged and underwritten by Smith Kean Cutler, involves the issue of 47m new ordinary 10p shares at 36p each to realise £1.65m after expenses. Yorkgreen's shares were suspended on February 4 at 26½p pending the deal.

Stamford, set up four years ago by the vendors Mr. and Mrs. Geoffrey Smith, who are emigrants in the U.S., has seen operating profits on an annualised basis rise from £155,000 to £320,000 for the year to the end of September 1982. Net assets stand at £325,000.

Yorkgreen directors are forecasting not less than £610,000 pre-tax for the enlarged group to the end of October this year. They also expect to pay a total dividend of 1.4p net, yielding 4.7m per share, by way of another Stamford public placing programme.

Brochures and year books for cinemas, hotels and speedway tracks, and holds exclusive UK rights to the use of Rotasign motorised advertising units. Mr. Peter Neill, a Yorkgreen director, said yesterday that the deal would bring the group a well-managed company with a strength in marketing and strong cash flow similar to its existing subsidiary, Interlite.

Despite heavy capital spending in the current year, expected borrowing, currently around £600,000, to be almost eliminated by year-end.

Bassishaw Investments, the consortium bidding for UDS Group, has extended its 114p per share cash offer by a further 14 days to March 31, which exceeds by two days the competing equity offer from Hanson.

Bassishaw has made no discernible progress whatsoever since its terms were last extended on March 2. At that point, Bassishaw had 125 per cent of the capital before taking into account the shares held by consortium members; now it has 1.21 per cent.

Company	Announcement date	Dividend (p)	Company	Announcement date	Dividend (p)
		Int.			Int.
FINAL DIVIDENDS			Owners Abroad Group		
AI Industrial Products	Friday	0.01	Prudential Corporation	Thursday	0.5
Automated Security (Holdings)	Thursday	0.975	Relyon Group	Friday	1.8887
Banco Industries	Thursday	0.75	Schlumberger	Wednesday	1.00
B&A Group	Thursday	0.84	Singh Estates	Wednesday	1.00
Barnes Corporation	Thursday	0.84	Singh Estates	Wednesday	1.00
Barclay	Wednesday	5.4	Singh Estates	Wednesday	1.00
BICC	Wednesday	3.3	Singh Estates	Wednesday	1.00
BICC International	Wednesday	3.3	Singh Estates	Wednesday	1.00
Bridgewater Estates	Friday	4.5	Singh Estates	Wednesday	1.00
Britannia Air Holdings	Wednesday	0.7	Singh Estates	Wednesday	1.00
Brunswick Assurance	Friday	5.4	Singh Estates	Wednesday	1.00
Cable	Friday	—	Singh Estates	Wednesday	1.00
Cambridge (Real Ale) Investments	Wednesday	0.25	Singh Estates	Wednesday	1.00
Charterhouse Petroleum	Wednesday	2.5	Singh Estates	Wednesday	1.00
Church and Company	Wednesday	2.5	Singh Estates	Wednesday	1.00
Clay (Richard)	Wednesday	1.5	Singh Estates	Wednesday	1.00
Clifford's Dairies	Wednesday	1.5	Singh Estates	Wednesday	1.00
Eagle Star Holdings	Wednesday	7.0	Singh Estates	Wednesday	1.00
Equity and Life Assurance Society	Thursday	4.5	Singh Estates	Wednesday	1.00
Firmen and Sons	Thursday	1.0	Singh Estates	Wednesday	1.00
Frederick Doerflinger Group	Thursday	1.95	Singh Estates	Wednesday	1.00
Gal Petroleum	Thursday	1.73	Singh Estates	Wednesday	1.00
Harris Quarrying	Thursday	2.25	Singh Estates	Wednesday	1.00
Haworth Ceramic Holdings	Friday	1.3	Singh Estates	Wednesday	1.00
Hurst (Charles)	Friday	1.3	Singh Estates	Wednesday	1.00
Jones and Shipman	Friday	1.3	Singh Estates	Wednesday	1.00
Lano Properties	Friday	1.75	Singh Estates	Wednesday	1.00
Lev Service	Friday	2.3	Singh Estates	Wednesday	1.00
Macdonald-Hughes	Friday	2.25	Singh Estates	Wednesday	1.00
Mander (Holdings)	Friday	1.4	Singh Estates	Wednesday	1.00
Mathews (Bernard)	Thursday	2.0	Singh Estates	Wednesday	1.00

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Current payment	Date of payment
Appleyard	nil	—	nil	—
Bankers' Inv Trst Int	0.8	—	0.85	—
C. R. Beazer	3	May 16	2.7	—
Lyn & Lyons	3.5	—	4.6	—
Norfolk Capital Co	0.2	May 20	0.5	—
George Oliver	0.2	May 20	0.5	—
Sharpe and Fisher	1.45	May 27	1.25	—
Strong & Fisher	int	—	1.67	—
Waring & Gillow	int	—	1.7	—
R. Woodward	0.7	May 27	1.7	—

Dividends shown hence per share net, except where otherwise stated.

SUMMARY OF THE WEEK'S COMPANY NEWS

Bids and deals

Blue Circle Industries and Cement Holdings of Zurich reached agreement to buy four cement manufacturing plants from Martin Marietta of the U.S. The total consideration of the acquisition is £100m and the purchase price will be paid in cash with BCI contributing £55m. The agreement represents Blue Circle's first major venture in U.S. cement manufacture.

Ultramar agreed provisionally to buy a petroleum distribution and marketing network in the north-east of the U.S. from Pitcon, a Connecticut-based oil concern. Ultramar declined to say how much the prospective deal would cost, but analysts in New York think the price will be about \$65m. Last month Ultramar raised £104.6m through a rights issue aimed at strengthening its balance sheet, thus giving greater scope for expansion.

A counter to the Dow Jones consortium's bid of 60p per share cash for Cope Albion emerged on Tuesday with the announcement that an approach had been received "for a major activity" of the engineering, leisure and packaging group. The company refused to disclose who had made the approach, or which aspect of the company's business had attracted the bidder's interest.

Britain's largest independent publishing group, William Collins, is spending £7.8m cash to buy the publishing division of Granada. To help finance the deal, Collins is raising £6.5m by way of rights issue. News International, which owns a 41.5 per cent stake in Collins following an abortive takeover in 1981, is taking up its rights entitlement.

Company	Value of bid per share**	Market price**	Price before bid	Value of bid	Bidder
Prices in pence unless otherwise indicated.					
Alberthaw Cement	685	640	420	19.70	Blue Circle
Alpine Hides	140	132	97	16.17	Keen & Scott
Andrew Strathclyde	200	208	178	94.83	Charter Cons
Anglo Steel	90	80	80	5.31	Atlantic Met
Asstra (James)	60	80	80	2.54	Caparo Inds
Asstra (James)	77	80	64	3.46	Tramex Steel
Bell & Stone	180	160	136	0.45	Fleming (J.)
Bilton (P.)	267	290	262	100.6	Trust Sec
Cope Albion	60	60	58	23.7	Dowable
Crest Int	13	11	13	4.60	Kwik-Fit
Davenport Bryw	238	281	246	21.0	Woly Dudley
Dollands	37	95	70	0.15	N. Fetterman
Edin & Gen Ins	25	22	13	5.44	Mills & Allen Indl
Heal	238	238	216	4.80	Habitat Mithcare

Company	Value of bid per share**	Market price**	Price before bid	Value of bid	Bidder
Prices in pence unless otherwise indicated.					
Highgate	75	74	63	4.55	Largo
Highgate Optical	23	62	35	0.47	Extent
Jeavons Eng	71	72	62	3.97	Newman-Tonks
Rowan & Bodent	60	58	40	2.42	Firth (G. M.)
Saxon Oil	85	80	66	5.75	Clyde Pet
Second City Prop	80	75	60	18.75	Beaser (C. H.)
Sumrie	65	66	70	0.95	Alex Invs
Sykes (Henry)	37	36	25	3.16	Alco Standard
UDS	114	123	89	21.74	Banishow Invs
UDS	119	123	110	23.69	Banishow Invs

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on 18/3/83. †† At suspension. ‡‡ Estimated. §§ Shares and cash. †‡ Unconditional. • Loan stock alternative.

Scrip Issues

BTR—One-for-three.

Home Charm—Two-for-one.

Merchants Trust—One-for-one.

Metalax Group—One-for-one.

Oceanics—One-for-one.

Catiff's Holdings—One for four.

Rentokil Group—One for one.

Rights Issues

Alderm International is making a one-for-five rights issue at 73p per share to raise £15.4m.

Berkeley and Hay Hill Investments is raising £97,000 by way of a rights issue on the basis of one for three at 11p per share.

Garfunkel Restaurants: One-for-five rights issue at 102p per share to raise £750,000.

Mills and Allen proposes to raise £18,063m via a one-for-five rights issue at 29p per share.

British Car Auction Group is making a one for five rights issue at 155p to raise £7,228m.

William Collins is raising £6,466m via a one for four rights issue. The price of the ordinary shares is pitched at 220p and the "A" ordinary 175p.

CONTRACTS

£4.3m for Balfour Beatty

BALFOUR BEATTY CONSTRUCTION has been awarded a £4.3m contract for major alterations and extensions to the assembly shop at Victoria Barrow-in-Furness shipyard. This project involves a high bay extension, an irregularly shaped fill-in bay and a reconstructed covered link road. Other works include railway trackworks, demolition, door doors, external concrete handstands, drainage, sheet piled anchorages and brick dard walling.

Balfour Beatty has also been awarded a £1m contract by London and Metropolitan Estates for the construction of an office block in Canbury. The building is to be four-stories high with a gross floor area of 2,013 square metres comprising piled foundations, precast concrete frame and with brick and curtain-wall cladding. Included in the contract is a car park and other external works. Work has started for completion in December.

A contract valued at £2.8m has been awarded to COSTAIN CIVIL ENGINEERING by Mobil Oil Hellas for the design and construction of an oil jetty at Skaramangas in Elefsis Bay, Greece. The jetty will be used to unload fuel products from ships weighing between 3,000 and 50,000 tons. The structural steel jetty will be supported on 15 1.42 metre diameter piles and six 2 metre diameter piles. The jetty will be driven some 30 to 30 metres into the seabed. Site investigation work has started with construction due to commence in April. Completion is expected by the end of the year.

An export contract worth over £750,000 has been signed between INTERDEPENDENT COMPUTER ENGINEERING, Ashford, and Scantele, Stockholm, for a range of products, including the ICE Subsystem and ICE Multiplexer.

Orders worth about £500,000 have been placed by British Telecom with SIMON ENGINEERING DUDLEY for 27 hydraulic access platforms for overhead working. The machines are of various sizes up to 100 feet working height. They will be used for overhead cable installation, and inspection and maintenance duties on BT's nationwide network of communications equipment.

A £250,000 order has been placed with the KANOO GROUP for several hundred Microwriters—hand-held word-processors with a five-hand keyboard. The Microwriters are to be distributed by Key Information Technology to wholly-owned subsidiary of the Kanoo Group) throughout the Gulf region.

Orders totalling nearly £180,000 have been placed with INTER-NATIONAL COMPUTERS by two insurance organisations, Paramount Insurance and R. A. Rushton. Paramount will take delivery of React's "Auto-cover" motor insurance system and an ICL medium-size ME29S mainframe computer in September. React's broker 2000 software package and two ICL DR3 20 microprocessors will be used by Rushton to handle central accounting and to automate one of its 14 UK branches to establish a pattern for possible automation of the rest.

To enable trading to begin by Christmas, Hillards Supermarkets has awarded BOVIS CONSTRUCTION a contract for a superstore at Thoroe Road, Edensor, Dorset, worth around £3m. The largely single-storey development will provide 31,500 sq ft of sales area, plus food preparation area, staff welfare quarters, administrative offices, stockrooms and entrance foyer. A number of small, individual shop units will also be provided for private occupation. Parking will be provided for 480 cars, with an access road from

Thoroe Road and provision for a bus lay-by.

Jordan Engineering (Epsom) has awarded Boris a contract valued at around £99,000 to design, manage and construct a 400 sq metres single-storey extension to its engineering workshop on the Stover Estate at North Road, Yate. Work is scheduled for completion in May.

J. F. FINNEGAN has obtained contracts totalling over £2.5m. The orders include: a new metre diameter pile and six 2 metre diameter piles. The jetty will be driven some 30 to 30 metres into the seabed. Site investigation work has started with construction due to commence in April. Completion is expected by the end of the year.

As part of the first stage of the air defence programme in Scotland (reported last Monday), Balfour Beatty has placed a £1.5m contract with BLUE CIRCLE INDUSTRIES for cement for hardened aircraft shelters at RAF Leuchars, Fife. The cement, between 23,000 and 34,000 tonnes, will be supplied over the next two years from the Dunbar Depot. Deliveries are expected to peak around 400 tonnes a week during the summer. The cement will go into 22 steel and concrete aircraft shelters and associated personnel buildings.

A £1.5m contract for the construction of Thrum Hall Reservoir, Halifax, West Yorkshire, has been won by the Doncaster office of JOHN MOWLEM. The reservoir is being constructed within the summer. The service reservoir will be 185 ft. It will be of reinforced concrete consisting of two tanks about 70 metres by 70 metres on plan by 5 metres deep with a concrete roof supported on 450 mm diameter columns. The contract includes installation of around 1,000 metres of ductile iron pipe work between 800 and 900 mm in diameter. The reservoir is the southern division of the Yorkshire Water Authority. Work is due to start this month for completion by late 1984. In

Site work has commenced on a

£1.5m hostel and community centre in Errol Street, EC1, for the YALCA metropolitan region. Completion is scheduled for the autumn of 1984. Existing basements are being retained and piling is being undertaken using tripod rigs within the basement area and rotary rigs from ground level. Main contractor for the project is Walter Lawrence and Son.

As part of the first stage of the air defence programme in Scotland (reported last Monday), Balfour Beatty has placed a £1.5m contract with BLUE CIRCLE INDUSTRIES for cement for hardened aircraft shelters at RAF Leuchars, Fife. The cement, between 23,000 and 34,000 tonnes, will be supplied over the next two years from the Dunbar Depot. Deliveries are expected to peak around 400 tonnes a week during the summer. The cement will go into 22 steel and concrete aircraft shelters and associated personnel buildings.

A £1.5m contract for the construction of Thrum Hall Reservoir, Halifax, West Yorkshire, has been won by the Doncaster office of JOHN MOWLEM. The reservoir is being constructed within the summer. The service reservoir will be 185 ft. It will be of reinforced concrete consisting of two tanks about 70 metres by 70 metres on plan by 5 metres deep with a concrete roof supported on 450 mm diameter columns. The contract includes installation of around 1,000 metres of ductile iron pipe work between 800 and 900 mm in diameter. The reservoir is the southern division of the Yorkshire Water Authority. Work is due to start this month for completion by late 1984. In

Site work has commenced on a

£1.5m hostel and community centre in Errol Street, EC1, for the YALCA metropolitan region. Completion is scheduled for the autumn of 1984. Existing basements are being retained and piling is being undertaken using tripod rigs within the basement area and rotary rigs from ground level. Main contractor for the project is Walter Lawrence and Son.

As part of the first stage of the air defence programme in Scotland (reported last Monday), Balfour Beatty has placed a £1.5m contract with BLUE CIRCLE INDUSTRIES for cement for hardened aircraft shelters at RAF Leuchars, Fife. The cement, between 23,000 and 34,000 tonnes, will be supplied over the next two years from the Dunbar Depot. Deliveries are expected to peak around 400 tonnes a week during the summer. The cement will go into 22 steel and concrete aircraft shelters and associated personnel buildings.

A £1.5m contract for the construction of Thrum Hall Reservoir, Halifax, West Yorkshire, has been won by the Doncaster office of JOHN MOWLEM. The reservoir is being constructed within the summer. The service reservoir will be 185 ft. It will be of reinforced concrete consisting of two tanks about 70 metres by 70 metres on plan by 5 metres deep with a concrete roof supported on 450 mm diameter columns. The contract includes installation of around 1,000 metres of ductile iron pipe work between 800 and 900 mm in diameter. The reservoir is the southern division of the Yorkshire Water Authority. Work is due to start this month for completion by late 1984. In

Site work has commenced on a

£1.5m hostel and community centre in Errol Street, EC1, for the YALCA metropolitan region. Completion is scheduled for the autumn of 1984. Existing basements are being retained and piling is being undertaken using tripod rigs within the basement area and rotary rigs from ground level. Main contractor for the project is Walter Lawrence and Son.

As part of the first stage of the air defence programme in Scotland (reported last Monday), Balfour Beatty has placed a £1.5m contract with BLUE CIRCLE INDUSTRIES for cement for hardened aircraft shelters at RAF Leuchars, Fife. The cement, between 23,000 and 34,000 tonnes, will be supplied over the next two years from the Dunbar Depot. Deliveries are expected to peak around 400 tonnes a week during the summer. The cement will go into 22 steel and concrete aircraft shelters and associated personnel buildings.

A £1.5m contract for the construction of Thrum Hall Reservoir, Halifax, West Yorkshire, has been won by the Doncaster office of JOHN MOWLEM. The reservoir is being constructed within the summer. The service reservoir will be 185 ft. It will be of reinforced concrete consisting of two tanks about 70 metres by 70 metres on plan by 5 metres deep with a concrete roof supported on 450 mm diameter columns. The contract includes installation of around 1,000 metres of ductile iron pipe work between 800 and 900 mm in diameter. The reservoir is the southern division of the Yorkshire Water Authority. Work is due to start this month for completion by late 1984. In

Site work has commenced on a

£1.5m hostel and community centre in Errol Street, EC1, for the YALCA metropolitan region. Completion is scheduled for the autumn of 1984. Existing basements are being retained and piling is being undertaken using tripod rigs within the basement area and rotary rigs from ground level. Main contractor for the project is Walter Lawrence and Son.

As part of the first stage of the air defence programme in Scotland (reported last Monday), Balfour Beatty has placed a £1.5m contract with BLUE CIRCLE INDUSTRIES for cement for hardened aircraft shelters at RAF Leuchars, Fife. The cement, between 23,000 and 34,000 tonnes, will be supplied over the next two years from the Dunbar Depot. Deliveries are expected to peak around 400 tonnes a week during the summer. The cement will go into 22 steel and concrete aircraft shelters and associated personnel buildings.

A £1.5m contract for the construction of Thrum Hall Reservoir, Halifax, West Yorkshire, has been won by the Doncaster office of JOHN MOWLEM. The reservoir is being constructed within the summer. The service reservoir will be 185 ft. It will be of reinforced concrete consisting of two tanks about 70 metres by 70 metres on plan by 5 metres deep with a concrete roof supported on 450 mm diameter columns. The contract includes installation of around 1,000 metres of ductile iron pipe work between 800 and 900 mm in diameter. The reservoir is the southern division of the Yorkshire Water Authority. Work is due to start this month for completion by late 1984. In

Site work has commenced on a

£1.5m hostel and community centre in Errol Street, EC1, for the YALCA metropolitan region. Completion is scheduled for the autumn of 1984. Existing basements are being retained and piling is being undertaken using tripod rigs within the basement area and rotary rigs from ground level. Main contractor for the project is Walter Lawrence and Son.

As part of the first stage of the air defence programme in Scotland (reported last Monday), Balfour Beatty has placed a £1.5m contract with BLUE CIRCLE INDUSTRIES for cement for hardened aircraft shelters at RAF Leuchars, Fife. The cement, between 23,000 and 34,000 tonnes, will be supplied over the next two years from the Dunbar Depot. Deliveries are expected to peak around 400 tonnes a week during the summer. The cement will go into 22 steel and concrete aircraft shelters and associated personnel buildings.

A £1.5m contract for the construction of Thrum Hall Reservoir, Halifax, West Yorkshire, has been won by the Doncaster office of JOHN MOWLEM. The reservoir is being constructed within the summer. The service reservoir will be 185 ft. It will be of reinforced concrete consisting of two tanks about 70 metres by 70 metres on plan by 5 metres deep with a concrete roof supported on 450 mm diameter columns. The contract includes installation of around 1,000 metres of ductile iron pipe work between 800 and 900 mm in diameter. The reservoir is the southern division of the Yorkshire Water Authority. Work is due to start this month for completion by late 1984. In

Site work has commenced on a

£1.5m hostel and community centre in Errol Street, EC1, for the YALCA metropolitan region. Completion is scheduled for the autumn of 1984. Existing basements are being retained and piling is being undertaken using tripod rigs within the basement area and rotary rigs from ground level. Main contractor for the project is Walter Lawrence and Son.

As part of the first stage of the air defence programme in Scotland (reported last Monday), Balfour Beatty has placed a £1.5m contract with BLUE CIRCLE INDUSTRIES for cement for hardened aircraft shelters at RAF Leuchars, Fife. The cement, between 23,000 and 34,000 tonnes, will be supplied over the next two years from the Dunbar Depot. Deliveries are expected to peak around 400 tonnes a week during the summer. The cement will go into 22 steel and concrete aircraft shelters and associated personnel buildings.

A £1.5m contract for the construction of Thrum Hall Reservoir, Halifax, West Yorkshire, has been won by the Doncaster office of JOHN MOWLEM. The reservoir is being constructed within the summer. The service reservoir will be 185 ft. It will be of reinforced concrete consisting of two tanks about 70 metres by 70 metres on plan by 5 metres deep with a concrete roof supported on 450 mm diameter columns. The contract includes installation of around 1,000 metres of ductile iron pipe work between 800 and 900 mm in diameter. The reservoir is the southern division of the Yorkshire Water Authority. Work is due to start this month for completion by late 1984. In

Site work has commenced on a

£1.5m hostel and community centre in Errol Street, EC1, for the YALCA metropolitan region. Completion is scheduled for the autumn of 1984. Existing basements are being retained and piling is being undertaken using tripod rigs within the basement area and rotary rigs from ground level. Main contractor for the project is Walter Lawrence and Son.

As part of the first stage of the air defence programme in Scotland (reported last Monday), Balfour Beatty has placed a £1.5m contract with BLUE CIRCLE INDUSTRIES for cement for hardened aircraft shelters at RAF Leuchars, Fife. The cement, between 23,000 and 34,000 tonnes, will be supplied over the next two years from the Dunbar Depot. Deliveries are expected to peak around 400 tonnes a week during the summer. The cement will go into 22 steel and concrete aircraft shelters and associated personnel buildings.

A £1.5m contract for the construction of Thrum Hall Reservoir, Halifax, West Yorkshire, has been won by the Doncaster office of JOHN MOWLEM. The reservoir is being constructed within the summer. The service reservoir will be 185 ft. It will be of reinforced concrete consisting of two tanks about 70 metres by 70 metres on plan by 5 metres deep with a concrete roof supported on 450 mm diameter columns. The contract includes installation of around 1,000 metres of ductile iron pipe work between 800 and 900 mm in diameter. The reservoir is the southern division of the Yorkshire Water Authority. Work is due to start this month for completion by late 1984. In

Site work has commenced on a

£1.5m hostel and community centre in Errol Street, EC1, for the YALCA metropolitan region. Completion is scheduled for the autumn of 1984. Existing basements are being retained and piling is being undertaken using tripod rigs within the basement area and rotary rigs from ground level. Main contractor for the project is Walter Lawrence and Son.

As part of the first stage of the air defence programme in Scotland (reported last Monday), Balfour Beatty has placed a £1.5m contract with BLUE CIRCLE INDUSTRIES for cement for hardened aircraft shelters at RAF Leuchars, Fife. The cement, between 23,000 and 34,000 tonnes, will be supplied over the next two years from the Dunbar Depot. Deliveries are expected to peak around 400 tonnes a week during the summer. The cement will go into 22 steel and concrete aircraft shelters and associated personnel buildings.

A £1.5m contract for the construction of Thrum Hall Reservoir, Halifax, West Yorkshire, has been won by the Doncaster office of JOHN MOWLEM. The reservoir is being constructed within the summer. The service reservoir will be 185 ft. It will be of reinforced concrete consisting of two tanks about 70 metres by 70 metres on plan by 5 metres deep with a concrete roof supported on 450 mm diameter columns. The contract includes installation of around 1,000 metres of ductile iron pipe work between 800 and 900 mm in diameter. The reservoir is the southern division of the Yorkshire Water Authority. Work is due to start this month for completion by late 1984. In

Site work has commenced on a

£1.5m hostel and community centre in Errol Street, EC1, for the YALCA metropolitan region. Completion is scheduled for the autumn of 1984. Existing basements are being retained and piling is being undertaken using tripod rigs within the basement area and rotary rigs from ground level. Main contractor for the project is Walter Lawrence and Son.

As part of the first stage of the air defence programme in Scotland (reported last Monday), Balfour Beatty has placed a £1.5m contract with BLUE CIRCLE INDUSTRIES for cement for hardened aircraft shelters at RAF Leuchars, Fife. The cement, between 23,000 and 34,000 tonnes, will be supplied over the next two years from the Dunbar Depot. Deliveries are expected to peak around 400 tonnes a week during the summer. The cement will go into 22 steel and concrete aircraft shelters and associated personnel buildings.

A £1.5m contract for the construction of Thrum Hall Reservoir, Halifax, West Yorkshire, has been won by the Doncaster office of JOHN MOWLEM. The reservoir is being constructed within the summer. The service reservoir will be 185 ft. It will be of reinforced concrete consisting of two tanks about 70 metres by 70 metres on plan by 5 metres deep with a concrete roof supported on 450 mm diameter columns. The contract includes installation of around 1,000 metres of ductile iron pipe work between 800 and 900 mm in diameter. The reservoir is the southern division of the Yorkshire Water Authority. Work is due to start this month for completion by late 1984. In

Site work has commenced on a

£1.5m hostel and community centre in Errol Street, EC1, for the YALCA metropolitan region. Completion is scheduled for the autumn of 1984. Existing basements are being retained and piling is being undertaken using tripod rigs within the basement area and rotary rigs from ground level. Main contractor for the project is Walter Lawrence and Son.

As part of the first stage of the air defence programme in Scotland (reported last Monday), Balfour Beatty has placed a £1.5m contract with BLUE CIRCLE INDUSTRIES for cement for hardened aircraft shelters at RAF Leuchars, Fife. The cement, between 23,000 and 34,000 tonnes, will be supplied over the next two years from the Dunbar Depot. Deliveries are expected to peak around 400 tonnes a week during the summer. The cement will go into 22 steel and concrete aircraft shelters and associated personnel buildings.

A £1.5m contract for the construction of Thrum Hall Reservoir, Halifax, West Yorkshire, has been won by the Doncaster office of JOHN MOWLEM. The reservoir is being constructed within the summer. The service reservoir will be 185 ft. It will be of reinforced concrete consisting of two tanks about 70 metres by 70 metres on plan by 5 metres deep with a concrete roof supported on 450 mm diameter columns. The contract includes installation of around 1,000 metres of ductile iron pipe work between 800 and 900 mm in diameter. The reservoir is the southern division of the Yorkshire Water Authority. Work is due to start this month for completion by late 1984. In

Site work has commenced on a

£1.5m hostel and community centre in Errol Street, EC1, for the YALCA metropolitan region. Completion is scheduled for the autumn of 1984. Existing basements are being retained and piling is being undertaken using tripod rigs within the basement area and rotary rigs from ground level. Main contractor for the project is Walter Lawrence and Son.

As part of the first stage of the air defence programme in Scotland (reported last Monday), Balfour Beatty has placed a £1.5m contract with BLUE CIRCLE INDUSTRIES for cement for hardened aircraft shelters at RAF Leuchars, Fife. The cement, between 23,000 and 34,000 tonnes, will be supplied over the next two years from the Dunbar Depot. Deliveries are expected to peak around 400 tonnes a week during the summer. The cement will go into 22 steel and concrete aircraft shelters and associated personnel buildings.

A £1.5m contract for the construction of Thrum Hall Reservoir, Halifax, West Yorkshire, has been won by the Doncaster office of JOHN MOWLEM. The reservoir is being constructed within the summer. The service reservoir will be 185 ft. It will be of reinforced concrete consisting of two tanks about 70 metres by 70 metres on plan by 5 metres deep with a concrete roof supported on 450 mm diameter columns. The contract includes installation of around 1,000 metres of ductile iron pipe work between 800 and 900 mm in diameter. The reservoir is the southern division of the Yorkshire Water Authority. Work is due to start this month for completion by late 1984. In

Site work has commenced on a

£1.5m hostel and community centre in Errol Street, EC1, for the YALCA metropolitan region. Completion is scheduled for the autumn of 1984. Existing basements are being retained and piling is being undertaken using tripod rigs within the basement area and rotary rigs from ground level. Main contractor for the project is Walter Lawrence and Son.

As part of the first stage of the air defence programme in Scotland (reported last Monday), Balfour Beatty has placed a £1.5m contract with BLUE CIRCLE INDUSTRIES for cement for hardened aircraft shelters at RAF Leuchars, Fife. The cement, between 23,000 and 34,000 tonnes, will be supplied over the next two years from the Dunbar Depot. Deliveries are expected to peak around 400 tonnes a week during the summer. The cement will go into 22 steel and concrete aircraft shelters and associated personnel buildings.

A £1.5m contract for the construction of Thrum Hall Reservoir, Halifax, West Yorkshire, has been won by the Doncaster office of JOHN MOWLEM. The reservoir is being constructed within the summer. The service reservoir will be 185 ft. It will be of reinforced concrete consisting of two tanks about 70 metres by 70 metres on plan by 5 metres deep with a concrete roof supported on 450 mm diameter columns. The contract includes installation of around 1,000 metres of ductile iron pipe work between 800 and 900 mm in diameter. The reservoir is the southern division of the Yorkshire Water Authority. Work is due to start this month for completion by late 1984. In

Site work has commenced on a

£1.5m hostel and community centre in Errol Street, EC1, for the YALCA metropolitan region. Completion is scheduled for the autumn of 1984. Existing basements are being retained and piling is being undertaken using tripod rigs within the basement area and rotary rigs from ground level. Main contractor for the project is Walter Lawrence and Son.

As part of the first stage of the air defence programme in Scotland (reported last Monday), Balfour Beatty has placed a £1.5m contract with BLUE CIRCLE INDUSTRIES for cement for hardened aircraft shelters at RAF Leuchars, Fife. The cement, between 23,000 and 34,000 tonnes, will be supplied over the next two years from the Dunbar Depot. Deliveries are expected to peak around 400 tonnes a week during the summer. The cement will go into 22 steel and concrete aircraft shelters and associated personnel buildings.

A £1.5m contract for the construction of Thrum Hall Reservoir, Halifax, West Yorkshire, has been won by the Doncaster office of JOHN MOWLEM. The reservoir is being constructed within the summer. The service reservoir will be 185 ft. It will be of reinforced concrete consisting of two tanks about 70 metres by 70 metres on plan by 5 metres deep with a concrete roof supported on 450 mm diameter columns. The contract includes installation of around 1,000 metres of ductile iron pipe work between 800 and 900 mm in diameter. The reservoir is the southern division of the Yorkshire Water Authority. Work is due to start this month for completion by late 1984. In

Site work has commenced on a

£1.5m hostel and community centre in Errol Street, EC1, for the YALCA metropolitan region. Completion is scheduled for the autumn of 1984. Existing basements are being retained and piling is being undertaken using tripod rigs within the basement area and rotary rigs from ground level. Main contractor for the project is Walter Lawrence and Son.

As part of the first stage of the air defence programme in Scotland (reported last Monday), Balfour Beatty has placed a £1.5m contract with BLUE CIRCLE INDUSTRIES for cement for hardened aircraft shelters at RAF Leuchars, Fife. The cement, between 23,000 and 34,000 tonnes, will be supplied over the next two years from the Dunbar Depot. Deliveries are expected to peak around 400 tonnes a week during the summer. The cement will go into 22 steel and concrete aircraft shelters and associated personnel buildings.

A £1.5m contract for the construction of Thrum Hall Reservoir, Halifax, West Yorkshire, has been won by the Doncaster office of JOHN MOWLEM. The reservoir is being constructed within the summer. The service reservoir will be 185 ft. It will be of reinforced concrete consisting of two tanks about 70 metres by 70 metres on plan by 5 metres deep with a concrete roof supported on 450 mm diameter columns. The contract includes installation of around 1,000 metres of ductile iron pipe work between 800 and 900 mm in diameter. The reservoir is the southern division of the Yorkshire Water Authority. Work is due to start this month for completion by late 1984. In

Site work has commenced on a

£1.5m hostel and community centre in Errol Street, EC1, for the YALCA metropolitan region. Completion is scheduled for the autumn of 1984. Existing basements are being retained and piling is being undertaken using tripod rigs within the basement area and rotary rigs from ground level. Main contractor for the project is Walter Lawrence and Son.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Airsprung Group	Dec	426 (821)	3.5 (7.7)	4.3 (4.3)
Anglo Nordic	Nov	815 ¹ (117) ¹	4.8 (2.9)	2.67 (—)
Aradcliffe Hlgs	Oct	464 (496)	8.1 (8.8)	2.66 (2.66)
Aratson Clark	Dec	2,360 (2,340)	25.3 (28.8)	9.0 (8.5)
Berkley Bay Hill	Dec	348L (120)L	(—)	(—)
B F	Dec	712,005 ¹ (1,028) ¹	39.4 (63.8)	20.25 (20.0)
Can Pac Exgn.	Nov	540 (829)	2.5 (4.2)	1.04 (1.04)
Can Pac	Jan	105,700 (90,100)	26.5 (28.0)	10.0 (8.75)
Can Pac Electric	Dec	7,510 (5,810)	13.0 (10.1)	5.0 (4.9)
Can Pac	Dec	801 (805)	3.4 (5.3)	1.75 (3.88)
Carlton Ltd.	Dec	5,010 (8,070)	8.8 (22.1)	3.5 (7.5)
Castle Hlgs	Dec	1,260 (802)	3.2 (2.0)	1.6 (1.6)
Centennial Hlgs	Dec	15,511 ¹ (26,401) ¹	8.8 (14.8)	3.68 (3.68)
Centennial Hlgs	Dec	821 (823)	2.5 (2.6)	1.33 (1.35)
Chellms (Wm)	Dec	4,700 (4,400)	28.1 (18.4)	8.5 (7.5)
Chellms Produce	Dec	4,450 (12,080)	15.9 (6.5)	4.8 (4.82)
Chellms Paper	Dec	532 (569)	7.8 (7.3)	3.5 (3.5)
Chellms (James)	Dec	8,750 (3,820)	15.2 (16.2)	3.83 (3.85)
Chellms	Dec	40,500 (34,500)	9.5 (10.4)	8.0 (8.0)
Chellms - Engineering	Dec	5,420 (16,620)	25.1 (39.1)	7.61 (7.61)
Chellms & Son	Jan	943L (916)L	(—)	(—)
Chellms (J.)	Dec	488 (374)	14.1 (14.2)	2.4 (1.85)
Chellms Charm	Jan	3,220 (12,815)	21.1 (18.9)	4.0 (3.0)
Chellms Travel	Nov	14,300 (13,330)	23.0 (16.0)	3.5 (3.0)
Chellms Thros	Dec	1,870 (1,870)	1.0 (1.0)	— (—)
Chellms (Wm)	Dec	452 (465)	4.8 (4.8)	— (—)
Chellms	Jan	504 (247)	7.5 (5.5)	5.6 (5.25)
Chellms Ltd.	Dec	1,370 (1,530)	15.3 (22.2)	8.0 (8.0)
Chellms & M Assurance	Dec	3,810 ¹ (2,580) ¹	15.7 (12.6)	13.66 (11.9)
Chellms Post	Dec	3,750 (3,670)	14.6 (13.8)	10.2 (11.6)
Chellms & Fry	Dec	1,600 (1,600)	2.2 (2.2)	— (—)
Chellms (Hugh)	Dec	321 (444)	4.2 (6.3)	1.5 (1.75)
Chellms Black	Dec	381L (550)L	(—)	(—)
Chellms Merchants Trust	Jan	3,700 (3,300)	4.6 (4.2)	4.57 (4.15)
Chellms	Dec	1,640 (1,610)	4.7 (4.5)	2.4 (2.14)
Chellms West Bank	Dec	438,000 (489,000)	167 (181)	25.0 (25.0)
Chellms	Jan	135 (493)	6 (22.7)	4.0 (4.0)
Chellms Holdings	Dec	244 (201)	1.7 (1.8)	— (—)
Chellms	Dec	1,680L (1,870)L	(—)	(—)
Chellms	Dec	326L (1,130)	(—)	(12.9)
Chellms	Dec	17,110 (14,260)	8.9 (7.4)	3.25 (2.85)
Chellms (Thos)	Dec	572L (572L)	(—)	(—)
Chellms Black'tosh	Dec	50,500 (39,900)	24.5 (21.4)	8.5 (8.0)
Chellms (L)	Dec	829 (811)	3.1 (2.0)	— (—)
Chellms Tiley	Nov	1,810 (1,980)	35.2 (34.2)	8.75 (8.0)
Chellms' Dan	Nov	306 (371)	13.3 (13.3)	(—) 2.0 (—)

done shown below have been taken with apnsent from they are not in order of execution but in ascending o

[illegible]

Linwood High 12/24/41 1948-50 2110
Linwood High 1949-53 273 (11/3). 8pc
12 1027-92 257 (14/3)

[illegible]

14:31	ED1 (1D/3)	5.63pcPt (C1) 75. 21.7pcPt 70 1. 3ec	Scottish Invest
pcDb 1985-90	Magnet Southaras 5.25pcPt rft: 68:	Db 64-94 £75 61: (15:31. 74pcLn 87-93	3.85ccPld £52

[illegible]

900 (15/3) (15/3)
 Spcln 1985-1986 (15/3)
 Spcln 1987-1988 (15/3)
 Spcln 1989-1990 (15/3)
 Spcln 1991-1992 (15/3)
 Spcln 1993-1994 (15/3)
 Spcln 1995-1996 (15/3)
 Spcln 1997-1998 (15/3)
 Spcln 1999-2000 (15/3)
 Spcln 2001-2002 (15/3)
 Spcln 2003-2004 (15/3)
 Spcln 2005-2006 (15/3)
 Spcln 2007-2008 (15/3)
 Spcln 2009-2010 (15/3)
 Spcln 2011-2012 (15/3)
 Spcln 2013-2014 (15/3)
 Spcln 2015-2016 (15/3)
 Spcln 2017-2018 (15/3)
 Spcln 2019-2020 (15/3)
 Spcln 2021-2022 (15/3)
 Spcln 2023-2024 (15/3)
 Spcln 2025-2026 (15/3)
 Spcln 2027-2028 (15/3)
 Spcln 2029-2030 (15/3)
 Spcln 2031-2032 (15/3)
 Spcln 2033-2034 (15/3)
 Spcln 2035-2036 (15/3)
 Spcln 2037-2038 (15/3)
 Spcln 2039-2040 (15/3)
 Spcln 2041-2042 (15/3)
 Spcln 2043-2044 (15/3)
 Spcln 2045-2046 (15/3)
 Spcln 2047-2048 (15/3)
 Spcln 2049-2050 (15/3)
 Spcln 2051-2052 (15/3)
 Spcln 2053-2054 (15/3)
 Spcln 2055-2056 (15/3)
 Spcln 2057-2058 (15/3)
 Spcln 2059-2060 (15/3)
 Spcln 2061-2062 (15/3)
 Spcln 2063-2064 (15/3)
 Spcln 2065-2066 (15/3)
 Spcln 2067-2068 (15/3)
 Spcln 2069-2070 (15/3)
 Spcln 2071-2072 (15/3)
 Spcln 2073-2074 (15/3)
 Spcln 2075-2076 (15/3)
 Spcln 2077-2078 (15/3)
 Spcln 2079-2080 (15/3)
 Spcln 2081-2082 (15/3)
 Spcln 2083-2084 (15/3)
 Spcln 2085-2086 (15/3)
 Spcln 2087-2088 (15/3)
 Spcln 2089-2090 (15/3)
 Spcln 2091-2092 (15/3)
 Spcln 2093-2094 (15/3)
 Spcln 2095-2096 (15/3)
 Spcln 2097-2098 (15/3)
 Spcln 2099-2100 (15/3)
 Spcln 2101-2102 (15/3)
 Spcln 2103-2104 (15/3)
 Spcln 2105-2106 (15/3)
 Spcln 2107-2108 (15/3)
 Spcln 2109-2110 (15/3)
 Spcln 2111-2112 (15/3)
 Spcln 2113-2114 (15/3)
 Spcln 2115-2116 (15/3)
 Spcln 2117-2118 (15/3)
 Spcln 2119-2120 (15/3)
 Spcln 2121-2122 (15/3)
 Spcln 2123-2124 (15/3)
 Spcln 2125-2126 (15/3)
 Spcln 2127-2128 (15/3)
 Spcln 2129-2130 (15/3)
 Spcln 2131-2132 (15/3)
 Spcln 2133-2134 (15/3)
 Spcln 2135-2136 (15/3)
 Spcln 2137-2138 (15/3)
 Spcln 2139-2140 (15/3)
 Spcln 2141-2142 (15/3)
 Spcln 2143-2144 (15/3)
 Spcln 2145-2146 (15/3)
 Spcln 2147-2148 (15/3)
 Spcln 2149-2150 (15/3)
 Spcln 2151-2152 (15/3)
 Spcln 2153-2154 (15/3)
 Spcln 2155-2156 (15/3)
 Spcln 2157-2158 (15/3)
 Spcln 2159-2160 (15/3)
 Spcln 2161-2162 (15/3)
 Spcln 2163-2164 (15/3)
 Spcln 2165-2166 (15/3)
 Spcln 2167-2168 (15/3)
 Spcln 2169-2170 (15/3)
 Spcln 2171-2172 (15/3)
 Spcln 2173-2174 (15/3)
 Spcln 2175-2176 (15/3)
 Spcln 2177-2178 (15/3)
 Spcln 2179-2180 (15/3)
 Spcln 2181-2182 (15/3)
 Spcln 2183-2184 (15/3)
 Spcln 2185-2186 (15/3)
 Spcln 2187-2188 (15/3)
 Spcln 2189-2190 (15/3)
 Spcln 2191-2192 (15/3)
 Spcln 2193-2194 (15/3)
 Spcln 2195-2196 (15/3)
 Spcln 2197-2198 (15/3)
 Spcln 2199-2200 (15/3)
 Spcln 2201-2202 (15/3)
 Spcln 2203-2204 (15/3)
 Spcln 2205-2206 (15/3)
 Spcln 2207-2208 (15/3)
 Spcln 2209-2210 (15/3)
 Spcln 2211-2212 (15/3)
 Spcln 2213-2214 (15/3)
 Spcln 2215-2216 (15/3)
 Spcln 2217-2218 (15/3)
 Spcln 2219-2220 (15/3)
 Spcln 2221-2222 (15/3)
 Spcln 2223-2224 (15/3)
 Spcln 2225-2226 (15/3)
 Spcln 2227-2228 (15/3)
 Spcln 2229-2230 (15/3)
 Spcln 2231-2232 (15/3)
 Spcln 2233-2234 (15/3)
 Spcln 2235-2236 (15/3)
 Spcln 2237-2238 (15/3)
 Spcln 2239-2240 (15/3)
 Spcln 2241-2242 (15/3)
 Spcln 2243-2244 (15/3)
 Spcln 2245-2246 (15/3)
 Spcln 2247-2248 (15/3)
 Spcln 2249-2250 (15/3)
 Spcln 2251-2252 (15/3)
 Spcln 2253-2254 (15/3)
 Spcln 2255-2256 (15/3)
 Spcln 2257-2258 (15/3)
 Spcln 2259-2260 (15/3)
 Spcln 2261-2262 (15/3)
 Spcln 2263-2264 (15/3)
 Spcln 2265-2266 (15/3)
 Spcln 2267-2268 (15/3)
 Spcln 2269-2270 (15/3)
 Spcln 2271-2272 (15/3)
 Spcln 2273-2274 (15/3)
 Spcln 2275-2276 (15/3)
 Spcln 2277-2278 (15/3)
 Spcln 2279-2280 (15/3)
 Spcln 2281-2282 (15/3)
 Spcln 2283-2284 (15/3)
 Spcln 2285-2286 (15/3)
 Spcln 2287-2288 (15/3)
 Spcln 2289-2290 (15/3)
 Spcln 2291-2292 (15/3)
 Spcln 2293-2294 (15/3)
 Spcln 2295-2296 (15/3)
 Spcln 2297-2298 (15/3)
 Spcln 2299-2300 (15/3)
 Spcln 2301-2302 (15/3)
 Spcln 2303-2304 (15/3)
 Spcln 2305-2306 (15/3)
 Spcln 2307-2308 (15/3)
 Spcln 2309-2310 (15/3)
 Spcln 2311-2312 (15/3)
 Spcln 2313-2314 (15/3)
 Spcln 2315-2316 (15/3)
 Spcln 2317-2318 (15/3)
 Spcln 2319-2320 (15/3)
 Spcln 2321-2322 (15/3)
 Spcln 2323-2324 (15/3)
 Spcln 2325-2326 (15/3)
 Spcln 2327-2328 (15/3)
 Spcln 2329-2330 (15/3)
 Spcln 2331-2332 (15/3)
 Spcln 2333-2334 (15/3)
 Spcln 2335-2336 (15/3)
 Spcln 2337-2338 (15/3)
 Spcln

RULE 163 (2).
Applications granted for special
bargains in securities not listed
on any Stock Exchange.

Apple Ann Agricultural Trst 36 47.01
Aston Villa F.C. (1) 700 90.00
Avon Saunders (type) 100 40.00
Baker Electric Corp 100 40.00
Biotechnology Int 860 213.00 13.00
167
Cameron St Int S (163) 3
Cardar 23 4 (163) 3
Carnegie Steel 100 140.00
Carr 10.25 25 20 (193) 4
Channel Islands (Comm 100 125.00
Cheney (Comm 100 25 80 (17.5)
Commercial and Industrial Secs 402.1
168
Dart Valley Light 100 113.00
Dawson (Wm) 284 5 (163) 3
Deere & Co 100 100.00
Graineds Grs 204 6 (17.3)
Greater Manchester Ind Radg 6 79.00

Unilever 7pcPy (£1) 66. 8pcPy (51) 77.
6-4pc(1985-82) = £82. 51-pc(1991-2006)
(15/3)

[illegible]

CPM (\$1) 52
E746 (15:3)
11 4 3 15:31

Deals continued

Rule 163 (3)
Dealings for approved companies engaged solely in mineral exploration

Calendula OSRPE 4PLN 200D (E35 P. 12) (153)
Cendant Exp 1 (17/3)
Perrina Res 28 (17/3)
(By permission of the Stock Exchange Council)

Deals continued

Lawson Financial Managers Ltd (a) (c) (in) (17/3)
43 Charlotte St, Ealing D3 2ZD (E35 P. 12) (153)
Must & Pae 7.1 7.8 3.12.2 0.2
7.12.1 7.12.2 7.12.3 7.12.4

Redland SPCPI (L1) 52	FINANCIAL TRUSTS	Commercial Prop.
Redman Herman International Finance Pl	Aiken Hume & Co 11990-911 5157	Country New To
		English Res. Co

[illegible]

189	19.508	—	—	F.54.4D	£771; 116/57. 12 ¹ / ₂ p.cLn 93-98 £98	8 ¹ / ₂ p.cLn 1985 £1
28	14.508	—	—	"	International Inv Tst Jersey (£) 399	London Shop P

Curry	158.1	158.1	+0.0	(11)
General	158.2	158.2	+0.0	(11)
Amr	158.3	158.3	+0.0	(11)
Amr	158.4	158.4	+0.0	(11)
Amr	158.5	158.5	+0.0	(11)
Amr	158.6	158.6	+0.0	(11)
Amr	158.7	158.7	+0.0	(11)
Amr	158.8	158.8	+0.0	(11)
Amr	158.9	158.9	+0.0	(11)
Amr	159.0	159.0	+0.0	(11)
Amr	159.1	159.1	+0.0	(11)
Amr	159.2	159.2	+0.0	(11)
Amr	159.3	159.3	+0.0	(11)
Amr	159.4	159.4	+0.0	(11)
Amr	159.5	159.5	+0.0	(11)
Amr	159.6	159.6	+0.0	(11)
Amr	159.7	159.7	+0.0	(11)
Amr	159.8	159.8	+0.0	(11)
Amr	159.9	159.9	+0.0	(11)
Amr	160.0	160.0	+0.0	(11)
Amr	160.1	160.1	+0.0	(11)
Amr	160.2	160.2	+0.0	(11)
Amr	160.3	160.3	+0.0	(11)
Amr	160.4	160.4	+0.0	(11)
Amr	160.5	160.5	+0.0	(11)
Amr	160.6	160.6	+0.0	(11)
Amr	160.7	160.7	+0.0	(11)
Amr	160.8	160.8	+0.0	(11)
Amr	160.9	160.9	+0.0	(11)
Amr	161.0	161.0	+0.0	(11)
Amr	161.1	161.1	+0.0	(11)
Amr	161.2	161.2	+0.0	(11)
Amr	161.3	161.3	+0.0	(11)
Amr	161.4	161.4	+0.0	(11)
Amr	161.5	161.5	+0.0	(11)
Amr	161.6	161.6	+0.0	(11)
Amr	161.7	161.7	+0.0	(11)
Amr	161.8	161.8	+0.0	(11)
Amr	161.9	161.9	+0.0	(11)
Amr	162.0	162.0	+0.0	(11)
Amr	162.1	162.1	+0.0	(11)
Amr	162.2	162.2	+0.0	(11)
Amr	162.3	162.3	+0.0	(11)
Amr	162.4	162.4	+0.0	(11)
Amr	162.5	162.5	+0.0	(11)
Amr	162.6	162.6	+0.0	(11)
Amr	162.7	162.7	+0.0	(11)
Amr	162.8	162.8	+0.0	(11)
Amr	162.9	162.9	+0.0	(11)
Amr	163.0	163.0	+0.0	(11)
Amr	163.1	163.1	+0.0	(11)
Amr	163.2	163.2	+0.0	(11)
Amr	163.3	163.3	+0.0	(11)
Amr	163.4	163.4	+0.0	(11)
Amr	163.5	163.5	+0.0	(11)
Amr	163.6	163.6	+0.0	(11)
Amr	163.7	163.7	+0.0	(11)
Amr	163.8	163.8	+0.0	(11)
Amr	163.9	163.9	+0.0	(11)
Amr	164.0	164.0	+0.0	(11)
Amr	164.1	164.1	+0.0	(11)
Amr	164.2	164.2	+0.0	(11)
Amr	164.3	164.3	+0.0	(11)
Amr	164.4	164.4	+0.0	(11)
Amr	164.5	164.5	+0.0	(11)
Amr	164.6	164.6	+0.0	(11)
Amr	164.7	164.7	+0.0	(11)
Amr	164.8	164.8	+0.0	(11)
Amr	164.9	164.9	+0.0	(11)
Amr	165.0	165.0	+0.0	(11)
Amr	165.1	165.1	+0.0	(11)
Amr	165.2	165.2	+0.0	(11)
Amr	165.3	165.3	+0.0	(11)
Amr	165.4	165.4	+0.0	(11)
Amr	165.5	165.5	+0.0	(11)
Amr	165.6	165.6	+0.0	

0	1.80	85	6.8D	8	4	12	American 1st SpCP 144 (11/3)	PLAN
E	10.00	11	10.1	125	15	17.00	Anglo American Secs Con 440CP1 149 (11/3)	Aberfoyle Plant

\$	536.38	+0.01D	8.9%
S&P	Daily declines.		
and other Rothschild Offshore Funds are Offshore and Overseas sections.			
Schroder Mgmt Services (Jersey) Ltd			
C Bar 195 St Helier, Jersey	0534-2758		
Schroder Money Funds Ltd			
Borling	US\$14,4780		
Deira City	US\$15,5240		
Denmarkmark	DKK50,1302		
Londonmark	£100,0000		
Synall-Sheridan Management Ltd			
D Box 1258, Hamilton, Bermuda			
C Ams	221.70		
C Bama	175.50		
C Gray	175.50		
C Hamd	175.50		
C Com	212.25		

Rights issue to fund Liem bank deal

BY ROBERT COTTRELL IN HONG KONG

HONG KONG Financial group First Pacific Holdings (FPH) yesterday unveiled an underwritten rights issue to raise HK\$750m (US\$113m) including expenses, the largest such issue in the local market since 1981, and the first major rights call in six months.

The cash from the FPH issue will be used to finance the acquisition of the Hibernia Bank of San Francisco and was planned a year ago. At that time Indonesia's Liem family bought a shell company, Shanghai Land, now FPH, to house their expected acquisition of Hibernia Bank. Hibernia's total assets of US\$825m, and is being sold into FPH for HK\$652m, said to be a 6 per cent discount to net worth.

The Liems, who own 71 per cent of FPH, acquired Hibernia privately at the end of 1982 and have been holding it pending

FPH's current funding exercise. The FPH rights issue is on a seven-for-one allocation, at HK\$5 per share. FPH was suspended on Thursday ahead of yesterday's announcement, at HK\$3.90, and its registered Deposit-taking subsidiary, First Pacific Finance, was also suspended. Trading in both companies is planned to resume on Monday.

FPH says Hibernia reported a net loss of US\$15.3m in 1982. The outcome reflects non-recurring charges of US\$10.2m relating to acquisition expenses and write-downs. Hibernia has liquidated half its US\$420m fixed-rate residential mortgage portfolio, which depressed earnings. Hibernia showed an operating profit of US\$673,000 in the first two months of 1983, including a US\$300,000 profit on securities trading, says FPH.

FPH forecasts, on a fully diluted basis, earnings per share of HK42 cents for 1983. Net assets per share, post-rights, are stated at HK\$5.61. As part of the Hibernia deal, the Liem investors will endow FPH with a dividend reserve of HK\$55m to fund forecast full-year dividends of 50 cents per share for the coming 24 years.

The dividend reserve is a bookkeeping exercise which is, in effect, a further discount on the price at which Hibernia is being injected into FPH, while enabling FPH dividends to be paid without recourse to Hibernia's funds.

The Liems are to take up their rights in the form of deferred shares, which will qualify for dividends in 1985. FPH has retained merchant bank Wardley, a subsidiary of the Hongkong and Shanghai Bank

Corporation, to advise minority shareholders on the Hibernia acquisition. It is understood that Wardley, in a forthcoming rights document, will support the purchase. A regulatory filing made in the U.S. by Hibernia details the various holdings of the "Liem investors" in the private company which is the ultimate parent of FPH. At September 30 1982, the holders were: Mr Soedono Salim (Chinese name Mr Liem Sioe Liong)—36 per cent; Mr Djuhar Sutanto (Liem On Kian)—30 per cent; Mr Ibrahim Risjay—10 per cent; Mr Sudwikatmono—10 per cent; Mr Anthony Salim—10 per cent; Mr Tedy Djuhar—10 per cent. Mr Anthony Salim is the son of Mr Soedono Salim, Mr Tedy Djuhar is the son of Mr Djuhar Sutanto. The Liems are thought to control Indonesia's largest concentration of private business interests.

Banking group hit by \$65m fraud

By Walter Ellis in Amsterdam

Slavenburg's, the Dutch commercial bank which is 78 per cent owned by Credit Lyonnais, announced yesterday that it had uncovered a fraud involving the transfer of a value of \$65m in its international transfers division.

The bank, which already the subject of an investigation by the Dutch police, said that it was not yet certain that all of the money involved in the fraud had left its control.

A senior official of Slavenburg's stressed yesterday that the fraud was nothing to do with the current police inquiries. These related to alleged former malpractice on the part of a number of high-ranking members of staff while the transfers fraud had been uncovered by normal bank checks made in Rotterdam this week.

Ten days ago, Mr Rudolf Slavenburg, one of two members of the Slavenburg family still in the business, stepped down as a director of the bank pending the result of the police inquiries.

Also yesterday it was revealed that Mr Herman Rindling, the Dutch Finance Minister, had written to the board of Credit Lyonnais expressing his full confidence in the French bank's ability to reorganise Slavenburg's.

Mr Rindling's letter follows a statement by the Dutch central bank on March 7 to the effect that Slavenburg's, under Credit Lyonnais, would have its full support. The central bank had already assured investors in Slavenburg's that their interests would be protected and that liquidity would be maintained.

Slavenburg's, which has over 100 branches, had a balance sheet total of 175.105bn at the end of 1981.

Actions launched against Nuovo Ambrosiano

BY PETER MONTAGNON

CREDITORS OF the bankrupt Luxembourg holding company of Italy's Banco Ambrosiano have begun their unprecedented legal action to recover their loans from its successor bank, Nuovo Banco Ambrosiano.

Nearly 80 of the holding company's creditor banks from 24 countries have instructed their lawyers to serve writs on the Italian bank demanding repayment of loans totalling some \$300m. Only about 10 banks of the creditor group have not yet agreed to go along with the suit.

The writs are expected to be served on Nuovo Banco Ambrosiano within the next few days amid a blaze of publicity. The banks hope this will further embarrass the Italian authorities for their failure to support the Luxembourg operations of

the bank built up by the late financier Sir Roberto Calvi.

The foreign operations of Banco Ambrosiano were hived off when it was put into liquidation. Only its Italian business was placed in the hands of Nuovo Banco Ambrosiano. The creditor banks argue that the new bank is, however, also liable for the foreign debts of Banco Ambrosiano SPA.

They have already turned down an offer of a settlement amounting to one-third of their total claims made through Sig Pasquale Chiofalo, an Italian lawyer. Sig Pasquale has not disclosed for whom he is acting and the banks are in any case adamant that only a full repayment will do.

Several bankers argue that the Ambrosiano affair is now

hampering Italy's efforts to borrow abroad. The 88 creditor banks are refusing to undertake new Italian business until it is resolved, a factor which, they say, is forcing up mortgages on Italian loans and preventing the launch of any really sizeable credits. Most recent Italian borrowings have been small in size and some entities are understood to have drawn heavily on short term credit lines with foreign banks.

While the formal chain of responsibilities for the Ambrosiano Holding remains in dispute, the creditor banks feel their case is strengthened by the fact that Bank of Italy inspectors reported as early as 1978 on potential problems at Banco Ambrosiano but the central bank failed to act.

Interim dividend raised at Australian National

BY MICHAEL THOMPSON-NOEL IN SYDNEY

AUSTRALIAN NATIONAL INDUSTRIES, the diversified industrial group, has raised its interim dividend from 6 cents a share to 8.3 cents on the back of a 7.6 per cent gain in net profits for the seven months to last January 31 to A\$14.5m (US\$13m) against A\$13.8m.

A boost to the final dividend, last year 9 cents a share, can also be expected. Sales in the latest period were 9.3 per cent ahead at A\$415m.

In the current year the group will enjoy the results of its full takeover of Comeng Holdings, an engineering and rolling stock group. Previously, ANI owned about a quarter of Comeng.

Interest charges for the seven months to January 31 were 66 per cent higher at A\$4.5m and depreciation costs were 38 per cent higher at A\$10.7m.

Improved results were seen

in heavy engineering, as well as the group's overseas operations and the investment division. Senator John Button, Australia's Minister for Industry and Commerce, has told Broken Hill Proprietary, the country's largest company, that the new Labor Government is "far from satisfied" with BHP's attitude to its workforce. BHP recently announced further sackings in the steel works.

The Minister said yesterday: "I have made it clear to BHP that their attitude to consultation with the unions in the past has been less than satisfactory."

"In future any arrangements will be on the basis of discussions between representatives of the workforce and the company and we will be involving ourselves as a Government in those discussions."

ERT rescue programme rejected by bankers

BY TOM BURNS IN MADRID

CREDITORS of the near bankrupt Spanish chemical giant Union Explosivos Rio Tinto (ERT) have rejected outright the company's industrial and financial restructuring plan and are seeking guarantees before agreeing to continued short-term discount facilities.

A Thursday night meeting here between 125 foreign and Spanish creditor banks and ERT's management ended with what one foreign banker present described as a "near impasse". The tense meeting took place just a fortnight before a deadline expires for a moratorium of principal repayments of the company's \$1bn debt.

The creditors agreed to negotiate a maximum 90-day extension on cash-flow only if the Government, or an equivalent acceptable security, acted as guarantor. The creditors also

sought undertakings from ERT that it would continue to pay interest at full market rates and that there would be no substantial disinvestment without their consent.

The conditions were not accepted by ERT chairman Jose Maria Escudillas. He said ERT had so far only been able to pay interest by entering into new debts and by not paying for crude oil supplies.

After March 31, Sr Escudillas said, ERT would not be in a position to pay interest. The Government, for its part, has made public funds for ERT conditional on a prior agreement between the management and the creditors.

Yesterday the creditor banks' steering committee met to examine possible alternative plans and to commence negotiations on security for further discounts.

AUTHORISED UNIT TRUSTS

Unit Trust Name	Manager	Assets	Units	Price
Abbey Unit Trust	Abbey Fund Managers Ltd	£1.2m	100,000	12.00
Admiral Unit Trust	Admiral Fund Managers Ltd	£1.5m	150,000	10.00
Alpha Unit Trust	Alpha Fund Managers Ltd	£1.8m	180,000	10.00
Beta Unit Trust	Beta Fund Managers Ltd	£2.1m	210,000	10.00
Gamma Unit Trust	Gamma Fund Managers Ltd	£2.4m	240,000	10.00
Delta Unit Trust	Delta Fund Managers Ltd	£2.7m	270,000	10.00
Epsilon Unit Trust	Epsilon Fund Managers Ltd	£3.0m	300,000	10.00
Zeta Unit Trust	Zeta Fund Managers Ltd	£3.3m	330,000	10.00
Ethel Unit Trust	Ethel Fund Managers Ltd	£3.6m	360,000	10.00
Theta Unit Trust	Theta Fund Managers Ltd	£3.9m	390,000	10.00
Iota Unit Trust	Iota Fund Managers Ltd	£4.2m	420,000	10.00
Kappa Unit Trust	Kappa Fund Managers Ltd	£4.5m	450,000	10.00
Lambda Unit Trust	Lambda Fund Managers Ltd	£4.8m	480,000	10.00
Mu Unit Trust	Mu Fund Managers Ltd	£5.1m	510,000	10.00
Nu Unit Trust	Nu Fund Managers Ltd	£5.4m	540,000	10.00
Xi Unit Trust	Xi Fund Managers Ltd	£5.7m	570,000	10.00
Omicron Unit Trust	Omicron Fund Managers Ltd	£6.0m	600,000	10.00
Pi Unit Trust	Pi Fund Managers Ltd	£6.3m	630,000	10.00
Rho Unit Trust	Rho Fund Managers Ltd	£6.6m	660,000	10.00
Sigma Unit Trust	Sigma Fund Managers Ltd	£6.9m	690,000	10.00
Tau Unit Trust	Tau Fund Managers Ltd	£7.2m	720,000	10.00
Upsilon Unit Trust	Upsilon Fund Managers Ltd	£7.5m	750,000	10.00
Phi Unit Trust	Phi Fund Managers Ltd	£7.8m	780,000	10.00
Chi Unit Trust	Chi Fund Managers Ltd	£8.1m	810,000	10.00
Psi Unit Trust	Psi Fund Managers Ltd	£8.4m	840,000	10.00
Omega Unit Trust	Omega Fund Managers Ltd	£8.7m	870,000	10.00

FT UNIT TRUST INFORMATION SERVICE

Unit Trust Name	Manager	Assets	Units	Price
Abbey Unit Trust	Abbey Fund Managers Ltd	£1.2m	100,000	12.00
Admiral Unit Trust	Admiral Fund Managers Ltd	£1.5m	150,000	10.00
Alpha Unit Trust	Alpha Fund Managers Ltd	£1.8m	180,000	10.00
Beta Unit Trust	Beta Fund Managers Ltd	£2.1m	210,000	10.00
Gamma Unit Trust	Gamma Fund Managers Ltd	£2.4m	240,000	10.00
Delta Unit Trust	Delta Fund Managers Ltd	£2.7m	270,000	10.00
Epsilon Unit Trust	Epsilon Fund Managers Ltd	£3.0m	300,000	10.00
Zeta Unit Trust	Zeta Fund Managers Ltd	£3.3m	330,000	10.00
Ethel Unit Trust	Ethel Fund Managers Ltd	£3.6m	360,000	10.00
Theta Unit Trust	Theta Fund Managers Ltd	£3.9m	390,000	10.00
Iota Unit Trust	Iota Fund Managers Ltd	£4.2m	420,000	10.00
Kappa Unit Trust	Kappa Fund Managers Ltd	£4.5m	450,000	10.00
Lambda Unit Trust	Lambda Fund Managers Ltd	£4.8m	480,000	10.00
Mu Unit Trust	Mu Fund Managers Ltd	£5.1m	510,000	10.00
Nu Unit Trust	Nu Fund Managers Ltd	£5.4m	540,000	10.00
Xi Unit Trust	Xi Fund Managers Ltd	£5.7m	570,000	10.00
Omicron Unit Trust	Omicron Fund Managers Ltd	£6.0m	600,000	10.00
Pi Unit Trust	Pi Fund Managers Ltd	£6.3m	630,000	10.00
Rho Unit Trust	Rho Fund Managers Ltd	£6.6m	660,000	10.00
Sigma Unit Trust	Sigma Fund Managers Ltd	£6.9m	690,000	10.00
Tau Unit Trust	Tau Fund Managers Ltd	£7.2m	720,000	10.00
Upsilon Unit Trust	Upsilon Fund Managers Ltd	£7.5m	750,000	10.00
Phi Unit Trust	Phi Fund Managers Ltd	£7.8m	780,000	10.00
Chi Unit Trust	Chi Fund Managers Ltd	£8.1m	810,000	10.00
Psi Unit Trust	Psi Fund Managers Ltd	£8.4m	840,000	10.00
Omega Unit Trust	Omega Fund Managers Ltd	£8.7m	870,000	10.00

Unit Trust Name	Manager	Assets	Units	Price
Abbey Unit Trust	Abbey Fund Managers Ltd	£1.2m	100,000	12.00
Admiral Unit Trust	Admiral Fund Managers Ltd	£1.5m	150,000	10.00
Alpha Unit Trust	Alpha Fund Managers Ltd	£1.8m	180,000	10.00
Beta Unit Trust	Beta Fund Managers Ltd	£2.1m	210,000	10.00
Gamma Unit Trust	Gamma Fund Managers Ltd	£2.4m	240,000	10.00
Delta Unit Trust	Delta Fund Managers Ltd	£2.7m	270,000	10.00
Epsilon Unit Trust	Epsilon Fund Managers Ltd	£3.0m	300,000	10.00
Zeta Unit Trust	Zeta Fund Managers Ltd	£3.3m	330,000	10.00
Ethel Unit Trust	Ethel Fund Managers Ltd	£3.6m	360,000	10.00
Theta Unit Trust	Theta Fund Managers Ltd	£3.9m	390,000	10.00
Iota Unit Trust	Iota Fund Managers Ltd	£4.2m	420,000	10.00
Kappa Unit Trust	Kappa Fund Managers Ltd	£4.5m	450,000	10.00
Lambda Unit Trust	Lambda Fund Managers Ltd	£4.8m	480,000	10.00
Mu Unit Trust	Mu Fund Managers Ltd	£5.1m	510,000	10.00
Nu Unit Trust	Nu Fund Managers Ltd	£5.4m	540,000	10.00
Xi Unit Trust	Xi Fund Managers Ltd	£5.7m	570,000	10.00
Omicron Unit Trust	Omicron Fund Managers Ltd	£6.0m	600,000	10.00
Pi Unit Trust	Pi Fund Managers Ltd	£6.3m	630,000	10.00
Rho Unit Trust	Rho Fund Managers Ltd	£6.6m	660,000	10.00
Sigma Unit Trust	Sigma Fund Managers Ltd	£6.9m	690,000	10.00
Tau Unit Trust	Tau Fund Managers Ltd	£7.2m	720,000	10.00
Upsilon Unit Trust	Upsilon Fund Managers Ltd	£7.5m	750,000	10.00
Phi Unit Trust	Phi Fund Managers Ltd	£7.8m	780,000	10.00
Chi Unit Trust	Chi Fund Managers Ltd	£8.1m	810,000	10.00
Psi Unit Trust	Psi Fund Managers Ltd	£8.4m	840,000	10.00
Omega Unit Trust	Omega Fund Managers Ltd	£8.7m	870,000	10.00

Unit Trust Name	Manager	Assets	Units	Price
Abbey Unit Trust	Abbey Fund Managers Ltd	£1.2m	100,000	12.00
Admiral Unit Trust	Admiral Fund Managers Ltd	£1.5m	150,000	10.00
Alpha Unit Trust	Alpha Fund Managers Ltd	£1.8m	180,000	10.00
Beta Unit Trust	Beta Fund Managers Ltd	£2.1m	210,000	10.00
Gamma Unit Trust	Gamma Fund Managers Ltd	£2.4m	240,000	10.00
Delta Unit Trust	Delta Fund Managers Ltd	£2.7m	270,000	10.00
Epsilon Unit Trust	Epsilon Fund Managers Ltd	£3.0m	300,000	10.00
Zeta Unit Trust	Zeta Fund Managers Ltd	£3.3m	330,000	10.00
Ethel Unit Trust	Ethel Fund Managers Ltd	£3.6m	360,000	10.00
Theta Unit Trust	Theta Fund Managers Ltd	£3.9m	390,000	10.00
Iota Unit Trust	Iota Fund Managers Ltd	£4.2m	420,000	10.00
Kappa Unit Trust	Kappa Fund Managers Ltd	£4.5m	450,000	10.00
Lambda Unit Trust	Lambda Fund Managers Ltd	£4.8m	480,000	10.00
Mu Unit Trust	Mu Fund Managers Ltd	£5.1m	510,000	10.00
Nu Unit Trust	Nu Fund Managers Ltd	£5.4m	540,000	10.00
Xi Unit Trust	Xi Fund Managers Ltd	£5.7m	570,000	10.00
Omicron Unit Trust	Omicron Fund Managers Ltd	£6.0m	600,000	10.00
Pi Unit Trust	Pi Fund Managers Ltd	£6.3m	630,000	10.00
Rho Unit Trust	Rho Fund Managers Ltd	£6.6m	660,000	10.00
Sigma Unit Trust	Sigma Fund Managers Ltd	£6.9m	690,000	10.00
Tau Unit Trust	Tau Fund Managers Ltd	£7.2m	720,000	10.00
Upsilon Unit Trust	Upsilon Fund Managers Ltd	£7.5m	750,000	10.00
Phi Unit Trust	Phi Fund Managers Ltd	£7.8m	780,000	10.00
Chi Unit Trust	Chi Fund Managers Ltd	£8.1m	810,000	10.00
Psi Unit Trust	Psi Fund Managers Ltd	£8.4m	840,000	10.00
Omega Unit Trust	Omega Fund Managers Ltd	£8.7m	870,000	10.00

INSURANCES

Insurance Company	Assets	Units	Price
Abbey Insurance	£1.2m	100,000	12.00
Admiral Insurance	£1.5m	150,000	10.00
Alpha Insurance	£1.8m	180,000	10.00
Beta Insurance	£2.1m	210,000	10.00
Gamma Insurance	£2.4m	240,000	10.00
Delta Insurance	£2.7m	270,000	10.00
Epsilon Insurance	£3.0m	300,000	10.00
Zeta Insurance	£3.3m	330,000	10.00
Ethel Insurance	£3.6m	360,000	10.00
Theta Insurance	£3.9m	390,000	10.00
Iota Insurance	£4.2m	420,000	10.00
Kappa Insurance	£4.5m	450,000	10.00
Lambda Insurance	£4.8m	480,000	10.00
Mu Insurance	£5.1m	510,000	10.00
Nu Insurance	£5.4m	540,000	10.00
Xi Insurance	£5.7m	570,000	10.00
Omicron Insurance	£6.0m	600,000	10.00
Pi Insurance	£6.3m	630,000	10.00
Rho Insurance	£6.6m	660,000	10.00
Sigma Insurance	£6.9m	690,000	10.00
Tau Insurance	£7.2m	720,000	10.00
Upsilon Insurance	£7.5m	750,000	10.00
Phi Insurance	£7.8m	780,000	10.00
Chi Insurance	£8.1m	810,000	10.00
Psi Insurance	£8.4m	840,000	10.00
Omega Insurance	£8.7m	870,000	10.00

Companies and Markets

MARKET REPORT

Sterling anxieties hit Gilt-edged market but equity leaders regain composure after Thursday's reversal

Account Dealing Dates
Options
First Declared Last Account
Dealings Date Dealings Date
Mar 7 Mar 18 Mar 28
Mar 21 Apr 7 Apr 18 Apr 28
Apr 11 Apr 21 Apr 31 May 3
New-time dealings may take
place from 9.30 am two business days
earlier.

Revised fears of an oil price war and sterling's subsequent fall to record lows against the dollar and D-mark unsettled London stock markets as the trading Account drew to its close yesterday. The exchange rate's weakness particularly affected sentiment in Government stocks, the market in which encountered nervous selling and soon showed an underlying vulnerability. Leading industrialists traded on a relatively steady note for the first couple of hours of business, but reluctantly followed in the wake of Gilt.

An afternoon rally in the funds fizzled out and closing falls stretched to a full point at the longer end of the market. Losses among the shorts ranged to 10 with the exceptions of the Convertible stocks, down 4 in places. Exchequer 10½ per cent 1986, which stood at a premium of two points over the 125-paid issue price at one stage on Thursday, came back to 26½; official supplies of the stock were exhausted immediately first-time dealings opened on Wednesday. News of a small increase in the Retail Prices index was in line with expectations and made no impact on markets.

The absence of 'new-time' interest, which was tempered by dealers demanding increased charges for the extended Easter trading Account, was another drug on equity markets. Occasional support was forthcoming late, however, and the Financial Times Industrial Ordinary share index, modestly higher at the first calculation and 2.4 off at 3 pm, closed unaltered on the day at 651.0. This was 12.6 down from the Budget Day all-time peak of 673.6. Overall conditions were quiet yesterday and much of the day's business represented end-Account and book squaring operations.

Ansacker rally
Losses among the Index constituents were usually limited to a few pence, but Plessey were depressed at 540p, down 20, following a chart 'sell' recommendation. In contrast, GKN responded strongly to recovery prospects and rose 12 in 1983. Late U.S. demand left Glaxo 20 higher at 705p. Speculative interest for situation stocks was subdued, but movements in response to company trading statements added some colour to an otherwise uninspiring trading session.

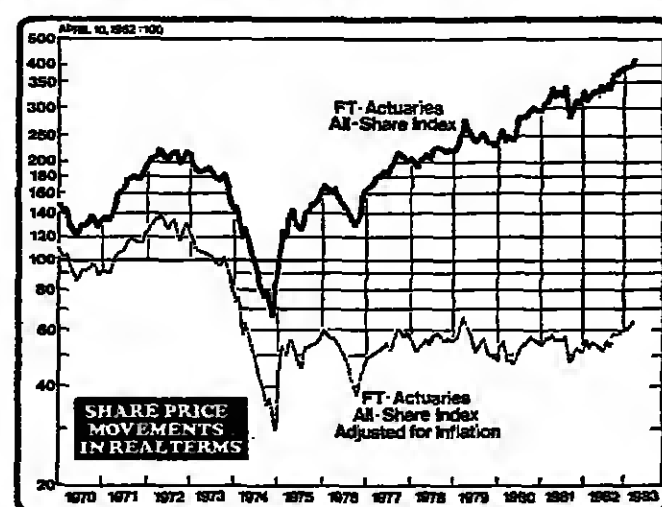
An unsettled market of late

no concern about the company's exposure to International Reporting Information Systems Holdings BV, the Washington-based private intelligence organisation, which Ansacker perked up with a speculative improvement of 5 to 82p. Elsewhere in the banking sector, Lloyds gave up 8 to 490p following the annual report, while Barclays softened a couple of pence more at 475p. Standard Chartered, with preliminary results scheduled for Tuesday, declined 7 to 473p. Among Hire Purchases, Cattle Holdings hardened a fraction more to 34p after comment on the results and proposed 25 per cent scrip-issue. Dealings in Sturley were suspended at 6p pending announcement of the interim figures and clarification as to the change of Board membership and control.

Still drawing strength from the favourable preliminary results, London and Manchester gained 4 more at 334p, while other Life Assurances drifted lower on lack of support. Prudential, which reported annual results on Wednesday, eased 2 to 375p. In Composites, Eagle Star closed 3 dearer at 368p ahead of Wednesday's trading statement.

Leading Buildings were vulnerable in small selling during the official session, but picked up after-hours to close with only small losses on balance. Redland finished 4 cheaper at 276p, after a 150p rise at 406p, after 404p. Housebuilders, impressive prior to the Chancellor's measures on mortgage tax relief, gave further ground. Barratt Developments softened 2 more to 525p, as did George Wimpey, in 150p off at 409p. Among Builders Merchants, Sharpe and Fisher improved 3 to 63p following the good annual results, while Ertib, preliminary results due next Friday, firmed 2 for a gain on the week of 12 to 126p. Elsewhere, John Mowlem rose 5 to 226p following the proposed 25p rights issue, the proceeds of which will partly finance a £10m U.S. acquisition.

ICI fluctuated narrowly in this trading before closing a couple of pence dearer at 306p. Australian International remained on share and shed 4 for a two-day fall of 8 to 255p, while Brent Chemicals encountered nervous selling ahead of next Tuesday's preliminary results and reacted lower at 109p. Croda ended a penny off at 111p, after 110p; the company is in negotiations which could lead to the sale of its synthetic chemicals division, James Halstead, dull earlier in the week on the departure of two key executives, rallied 4 to 80p after the chairman's reassuring statement and boardroom reshuffle.



The continuing absence of institutional interest led to another lackluster session in major Retailers. Despite a modicum of interest after-hours, must retained earlier losses. Boots fell 6 to 254p, while Woolworth shed 5 more to 246p. Mail-Orders were relatively steady awaiting further developments after Empire's rejection of Sears' proposals for a merger between the former and Grattan. Both were unchanged at 66p, but Gussies A, which still controls almost 30 per cent of Empire, closed 10 cheaper at 533p, after 525p. Freeman's annual results scheduled for Monday week, eased a couple of pence to 76p, after 74p.

Special situations again led to some interesting movements among secondary Stores, Waring and Gillow, a buoyant market recently reflecting bid hopes, were marked down to 91p on the first-half deficit and bailed interim dividend, but rallied on second-half recovery prospects to finish only 3 lower on balance at 95p. Support was also seen for Harris Queensway, 8 up at 328p, and for Owen Owen, 5 dearer at 168p. McIlann, on the other hand, reacted on fresh profit-taking to close 15 down at 145p.

Contrasting movements among Footwear counters included George Oliver A, 13 higher at 225p, after 340p, following the increased annual profits and dividend, and Strong and Fisher, which dipped 5 to 37p after announcing slashed half-yearly earnings and an interim dividend omission.

Plessey fall
Reports of a chart 'sell' recommendation accompanied selling of Plessey which retreated sharply in close 20 down at 540p. Other Electricals, major made dull showing on end-Account influences. Rascal lost 8 to 455p and Thorn EMI 6 to

Risclots shed 5 to 140p on second thoughts about the annual results.

Glaxo better

Late buying from the U.S. helped Glaxo feature the miscellaneous industrial leaders with a rise of 20 at 705p. Elsewhere, following publication of the annual results and details of the management and capital proposals, dealings in Bifurcated Engineering were resumed and the close was 45p compared with the suspension price of 34p. Speculative buying on revived U.S. bid hopes helped Sotbeby advance 15 to 480p, while demand also of a speculative nature prompted an improvement of 14 in Davies and Newman at 110p. Wearwell gained 5 to 65p in response to an investment recommendation by Mr Asit Nair's other two quoted concerns, Polly Peck and Cornhill both gave ground; PP declined 11 points more to £18 and Cornhill cheapened 7 to 153p. James Walker moved 20 to 265p, J. Bibb retreated 15 to 405p, Staffordshire Potteries dipped 4 to 35p following the poor interim figures.

BL, a volatile, if narrow market recently, were marked down to 31p before rallying to settle only a penny off on balance at 33p following the reduced full-year loss. Among Distributors, Western Motor jumped 10 to 60p on news that Kenning is to acquire a controlling interest in Distributor Deliveries, currently a subsidiary of the Gold Mines Index. On the other hand, fell 4 to 28p following the disappointing annual results.

Properties contrasted with other equity sectors, Land Securities attracted occasional support and firmed 5 to 321p, while MERE hardened a couple of pence to 221p.

BP firm

Oils opened on a firm note following BP's soothing noises about avoiding a price war with OPEC members. End-Account influences subsequently pared gains, but quotations attracted fresh support in late dealings and closed on a firm note. British Petroleum finished 5 higher at 340p, while Ultramar rose 15 to 495p.

Having traded without distinction for most of the session, money brokers and associated issues, but quotations attracted support after the House closed and finished at the day's best. Exco, which is expected to reveal preliminary results in the new Account, advanced 35 to a new peak of 685p. Mercantile House rose 15 to 110p, while Mills and Allen rallied 15 to 400p.

Shippings provided a couple of outstanding features. Revised enthusiasm about the group's interest in the Telerate financial information service prompted an active trade in British and Commercial Shippers, which spurred 65 to 840p; the associated Caledonia closed 25 to the good at 740p.

Golds steadier

Mining markets ended a generally depressed week on a quiet note, with the notable exception of the announcement of a proposed £1m rights issue in the ratio of three-for-four at 154p a share.

Two of the other three major London-domiciled Financials attracted substantial 'new time' business. Gold Fields ended 7 to the good at 480p, but BTZ closed unchanged on balance at 510p.

South African Golds managed minor overall gains after having lost ground over the previous five trading days. The steadier trend followed a brighter performance by the bullion price which rallied 56 to \$421.5 an ounce.

Turnover in Golds remained at minimal levels, jobbers citing end-Account book squaring as the main reason for a rather muted performance by the leading issues.

Randfontein, for example, dropped £2 to £80 and Deerefontein a half-point to £24; Libanon 1 to £191 but Vaal Reefs moved up £1 to £143 and S1 Helena almost 2 points to £261.

Durban Deep fell to £191 reflecting the chairman's recent remark that dividends are unlikely this year in the absence of a sharp and sustained rise in the bullion price. The Gold Mines Index rallied 3.2 to 561.2 but remained over 41 points down on the week.

In South Africa Financials, De Beers hardened 3 to 459p—little changed over the five-day period—following the 30 per cent contraction in full earnings announced on Tuesday. Australians were sold throughout the week and closed yesterday with widespread losses. Golds were particularly vulnerable and showed Gold Mines of Kallangudi 30 cheaper at 500p, and Foscolon 9 off at 213p.

In the leading diversified issues CRA fell 10 to 254p. Western Mining 1 to 255p and BMD Holdings 3 to 251p. Business in the gold sector was quiet, with the only firm feature and rose 3 more to 82p reflecting Wednesday's news of an extension of the company's Paddington gold mine in Western Australia. Tins were little changed but showed good gains on the week as tin prices advanced to record levels on the London Metal Exchange. Geevor Tin, 2 easier yesterday at 143p, showed an 11 improvement over the week.

Business in Traded Options remained disappointingly low. Total contracts amount to 1,793 and the week's daily average to 1,783. British Petroleum, however, were briskly-traded in the wake of Thursday's preliminary results, and recorded 373 calls, 195 in the April 30s, and 323 puts.

FINANCIAL TIMES STOCK INDICES

	Mar 16	Mar 17	Mar 18	Mar 19	Mar 20	Mar 21	Year Ago
Government Secs.	80.74	81.40	81.40	81.88	81.84	80.78	88.48
Fixed Interest	22.90	23.14	23.14	23.36	23.70	23.43	29.08
Industrial Ord.	661.0	661.0	671.3	672.8	685.3	685.3	684.4
Gold Mines	551.2	548.0	550.7	557.0	591.5	592.8	584.4
Drd. Div. Yield	4.87	4.88	4.79	4.78	4.85	4.84	4.84
Earnings, Yld. S. (full)	10.34	10.25	10.08	10.04	10.14	10.17	10.86
P/E Ratio (ind. P.)	11.85	11.78	12.01	12.04	11.99	11.99	11.90
Total Bargains	25,204	22,448	29,679	24,515	26,885	26,885	158,406
Equity turnover £m.	184.05	212.57	255.87	206.85	225.52	225.52	1,584.06
Equity bargains	40,451	30,187	30,845	28,861	31,804	31,804	14,780
Shares traded (m.)	145.8	148.5	154.3	149.3	164.5	164.5	944

10 am 651.2, 11 am 661.0, Noon 659.2, 1 pm 658.4, 2 pm 658.6, 3 pm 658.2.
Basic 100 Govt Secs. 16/10/76, Fixed Ind. 1978 Industrial 1/7/75.
Gold Mines 12/10/76, SE Activity 1974.
Latest index 81-245 3008.
Nil 10/31.

HIGHS AND LOWS

	1982/3		Since Completion			Mar. 17	Mar. 18
	High	Low	High	Low			
Govt. Secs.	85.84 (3/11)	81.88 (5/11)	127.4 (1/15)	48.18 (2/15)	Daily Gift Edged Bargains	165.4	218.0
Fixed Int.	27.08 (12/11)	22.99 (7/11)	168 (20/11)	60.55 (10/11)	Bargains Value	150.5	150.5
Ind. Ord.	673.6 (12/11)	618.1 (7/11)	672.5 (15/11)	46.4 (24/11)	Gift Edged Bargains	684.4	198.8
Gold Mines	551.2 (15.84)	512.8 (25/1)	754.7 (15.84)	42.5 (20/17/1)	Bargains Value	592.8	140.3

LEADERS AND LAGGARDS

Percentage changes since December 31 1982 based on Thursday March 17 1983.	Leaders	Laggards
Office Equipment	+28.81	All-Share Index
Banking	+24.42	Chemicals
Insurance (Life)	+21.74	Disrupt House
Food Manufacturers	+21.74	Capital Goods
Marine Bank	+21.74	500 Shares Index
Industrial Group	+21.74	Mining Finance
Engineering Construction	+21.74	Food Retailing
Food Retailing	+21.74	Transportation
Transportation	+21.74	Electronics
Electronics	+21.74	Stores
Stores	+21.74	

OPTIONS

First Last Last For	Deal-Declar-Settle-	ment
Mar 16 Mar 25 June 16 June 27	Deal-Declar-Settle-	ment
Mar 25 Apr 8 June 30 July 11	Deal-Declar-Settle-	ment
Mar 25 Apr 29 July 14 July 25	Deal-Declar-Settle-	ment
For rate indications see end of Share Information Service.		
Stocks favoured for the call included TV A. Sound Diffusion, Fally Peck, Wearwell, Keep Investment, Black and		

RISES AND FALLS

Yesterday	On the week
Rises	Falls
British Funds	2 26 50 86 33 237
Financial & Foreign Bonds	174 400 757 1,234 1,487 3,334
Industrial & Profs	32 126 286 517 573 573
Plantations	2 3 17 18 16 75
Mines	41 43 88 138 280 341
Others	71 41 51 84 204 270
Totals	400 767 1,303 2,571 3,006 7,775

NEW HIGHS AND LOWS FOR 1982/83

NEW HIGHS (50)	NEW LOWS (10)
Coltine (WJ) NEWSPAPERS (2)	Tomatin ELECTRICALS (1)
Declar-Settle-ment	Whitworth LBS (1)
Mar 16 Mar 25 June 16 June 27	Nitrate Ind PAPER (1)
Mar 25 Apr 8 June 30 July 11	South Mavai IND AND GAS (6)
Mar 25 Apr 29 July 14 July 25	Ant. Oil Fields
For rate indications see end of Share Information Service.	Central Pacific
Stocks favoured for the call included TV A. Sound Diffusion, Fally Peck, Wearwell, Keep Investment, Black and	

ACTIVE STOCKS

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Bejam	128	+7	London & Liverpool	425	+2
BP	340	+8	Merrill	220	+5
Cons Gold Fields	480	+7	RTZ	510	+5
Grand	20	-18	Sotbeby's	480	+15
Hampton Areas	204	-18	Tesco	120	-2

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List:	Change	Day's change	Stock	No. of Shares	Day's change
BAT Ind	25	630	-20	Grand	18
Lon & Liv Tat	25	423	+7	Groveland	48
Sturley	22	155	-30	Rank Org	18
Atkinson	20	457	-7	Rank Org	18
Atkinson	20	457	-7	Rank Org	18
Atkinson	20	457	-7	Rank Org	18
Atkinson	20	457	-7	Rank Org	18
Atkinson	20	457	-7	Rank Org	18
Atkinson	20	457	-7	Rank Org	18
Atkinson	20	457	-7	Rank Org	18

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday:	Change	Day's change	Stock	No. of Shares	Day's change
Sturley	22	155	-30	Grand	18
Atkinson	20	457	-7	Rank Org	18
Atkinson	20	457	-7	Rank Org	18
Atkinson	20	457	-7	Rank Org	18
Atkinson	20	457	-7	Rank Org	18
Atkinson	20	457	-7	Rank Org	18
Atkinson	20	457	-7	Rank Org	18
Atkinson	20	457	-7	Rank Org	18
Atkinson	20	457	-7	Rank Org	18

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS		Fri March 18 1983					Thurs March 17					Wed March 16					Tues March 15					Mon March 14					Sun March 13					Higs and Lows Index																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
		Index No.		Day's Change		Est. Prev. Vind (Max.)		Gross Vol (ACT)		Est. Prev. Vind (Max.)		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.		Index No.	

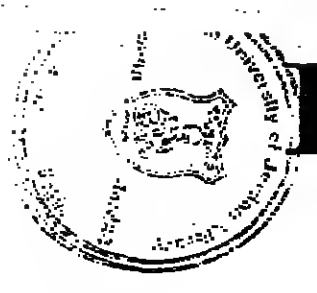
AGGA

[illegible]

28

TGB banking services

BRIGHTON LONDON
0273-23511 01-283 9543



Getatable NEWPORT

For details of industrial development sites contact Gareth Isaac or Tony Parker, Dept FT, The Civic Centre, Newport, Gwent, Tel: (0453) 56905

MAN IN THE NEWS

Software and socialism

BY CHRISTIAN TYLER

SOME OF WHITEHALL'S most complicated and expensive calculations are to be carried out in a dingy brick building behind Waterloo Road by a small computer bureau called the Centre for Analysis and Modelling.

CAM has won the contract for calculating local authorities' ratio support grants against high-powered U.S. competition. The previous holders of the contract were Geico, part of General Electric, and Comshare, another U.S.-based software house. Last year's calculations cost the Department of the Environment something approaching £1m.

If CAM is perhaps typical of the many number-juggling businesses that have sprung up all over Britain, its managing director and co-founder does not fit the popular conception of a high technology whizz-kid. Mr Gurmukh Singh is a very tall, rather shy man who displays gleaming intelligence rather than consuming ambition. He is also a lifelong

socialist who expresses strong distaste for Mrs Thatcher's economic management.

Although a member of the Labour Party and Camden borough council in North London, he is not highly political. He practises his faith by creating real jobs with real money for non-profits among young unemployed.

Mr Singh was born 45 years ago into a very poor — and often hungry — Sikh family in Singapore where his father was a nightwatchman. He travelled to Australia to learn accountancy, found accountancy ungenial, and set off westwards through Indonesia, India, the Middle East and Europe. Arriving in London, he saw Bertrand Russell sitting in Trafalgar Square and went off to work for CND.

His next job, with Professor Peter Townsend's poverty study group, introduced him to computers and he later became deputy chief programmer at the London University computer centre. After a spell with a French computer company in London, he decided with two colleagues to cast off into the commercial world, and CAM was founded.

Mr Singh, who describes himself as a man who loves challenges and hates repetitive work, was one of the first to see the merits of what might be called data cartography — a way of boiling down and presenting visually huge amounts of information, such as is contained in the national census.

Harassing an imaginative intelligence to the socialist convictions, Mr Singh has founded or helped to found half a dozen job creation schemes — a garden centre in Camden, a restaurant called Last Days of the Raj in Drury Lane, Operation Springboard for ethnic minority school leavers in Camden, and computer training projects.

He argues that such schemes, for which he seeks loan guarantees rather than direct grants, could be replicated on a national scale.

He calls Mrs Thatcher's policies "disastrous" for the waste and inefficiency that he says they allow to occur. "Unemployment is a very, very serious problem. I don't believe that it cannot be cured, but they are trying to solve a difficult problem by conventional methods — like lay-offs. It just won't do."

Mr Singh is not particularly rich, but looks like becoming so. He lives in a genteel terrace house in a socially-mixed part of Kentish Town and drives a Lancia Beta.

Is he not, then, really SDP material? "Not at all. I belong to the Labour Party because it is closest to my beliefs. I think the SDP Alliance is a transitional phenomenon. We will get back to a two-party system because that's the only way of getting decent decisions."

Minister backs Belvoir pit

BY RAY DAFTER, ENERGY EDITOR

THE GOVERNMENT has cleared the way for the £400m development of a major mining project near the Vale of Belvoir, Leicestershire.

The mine, to employ between 1,100 and 1,500 men, formed part of the National Coal Board's proposal, rejected a year ago by Mr Michael Heseltine, then Environment Secretary. The NCB originally sought to open three pits in the vale, one of the few unspoiled parts of the East Midlands.

But Mr Tom King, present Environment Secretary, said yesterday that he would not stop the Coal Board developing the Astorby mine, near Melton Mowbray.

The development would need less land for spoil tipping than envisaged, he said. As Leicestershire County Council has already given outline approval to the Astorby plan, the NCB hopes it can begin site work by the end of the year.

The Astorby mine would tap one of the largest unexploited coalfields in Western Europe.

It would be capable of yielding 2.5m tonnes a year, providing the NCB with access to 148m tonnes of the 510m tonnes of recoverable reserves in north-east Leicestershire.

The NCB produces 124m tonnes a year from 40m tonnes of recoverable reserves at present.

Officials of the Coal Board and the National Union of Mineworkers welcomed the Government decision. "We are delighted," said the NCB, adding that the mine would replace commercially exhausted pits in Leicestershire.

"We are jubilant," said Mr Jack Jones, Leicestershire area secretary of the NUM. "We have moved from working a contracting coal field to an expanding one. We will now be able to retain a workforce of young, trained miners."

The NCB said that once the Astorby mine was developed in eight or nine years, the workforce would build up to about 1,100 men. But Mr Jones thought that between 1,400 and 1,500 miners and back-up staff would be needed.

In the past year employment in the Leicestershire coalfield has fallen by about 1,000, to 3,000, as a result of the run-down of production in old pits.

After the rejection of the Belvoir plan, incorporating development of Astorby, Hoss and Salby mines, the NCB submitted the present proposal to the county council in June. This lessened the impact of tipping, one of the main objections of conservationists and Mr Heseltine.

Under the present proposals the NCB will use 207.5 acres of land for surface tipping, of which up to 50 acres will be in use at any one time. Originally it was planned to use 1,520 acres for surface tipping, of which up to 130 would have been covered at any one time.

BL net loss cut by 41% last year

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

RECOVERY IN car and commercial-vehicle operations contributed to a 41 per cent reduction in BL's net loss last year, down from £497m to £292.9m.

The trading loss, £125.8m compared with £244.6m in 1981, was better than that forecast last autumn by Sir Michael Edwards, the former chairman. He indicated a loss of about £140m.

The state-owned group continues firmly on course to break even at the trading level this year and at the pre-tax level next year. Last year's pre-tax loss was £220.5m, down from £332.9m the previous year.

BL's car division cut its trading loss last year by 57 per cent, from £181.2m to £78.4m, while the Land-Rover-Leyland commercial vehicles business produced a 27 per cent reduction from £57m to £41.1m.

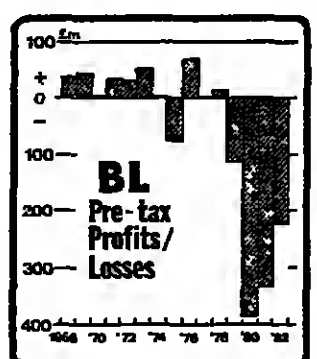
The only BL business to achieve trading profits last year were Jaguar Cars and the Uni-part spare-parts operation. Land-Rover in Britain also made a trading profit but this was eliminated by losses in its

Freight Rover subsidiary.

BL's sales revenues last year reached £3,072m, up 7 per cent from £2,869m in 1981. Included in the total were export sales worth £915m last year, a modest rise on the £884m for 1981.

The reduced loss and increased revenue were achieved in spite of the worldwide recession in the automotive industry and a 1 per cent drop in BL's vehicle sales, down from 525,000 units to 519,000.

The directors reported yesterday that cash outflow was



Inflation rate starts to edge upwards

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE UK's annual inflation rate rose by nearly half a percentage point in February to 5.3 per cent, its first increase since May last year.

Although further falls are forecast over the next few months to bring the annual rate down to a low point of about 4 per cent in May, it is expected to rise during the rest of the year to reach 6 or 7 per cent by the late summer.

The rise of the annual inflation rate last month reflected the fact that prices stood still in February 1982, compared with a rise of 0.4 per cent in January.

This increase is not far out of line with the rises in prices recorded in some recent months.

The annual rate of inflation is expected to fall until May as a result of the Budget measures. The effect of the Budget plus increases in rates and council house rents is expected to raise the average price level by about 1 per cent compared with about 2 per cent last year.

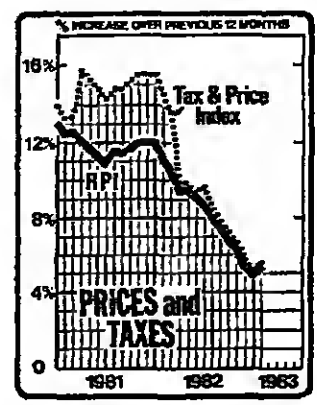
After May, however, this year's price rises will have to be compared with very small increases in the equivalent periods last year.

Between June and September last year, for example, the retail price index was unchanged. This year, however, the effect of last summer's depreciation of sterling on raising import prices is expected to have at least some effect on the RPI.

The rate of increase of the tax and price index, which measures the pre-tax income needed to keep pace with the

ANNUAL INFLATION RATES (January)

Japan	2.0
Netherlands	3.7
U.S.	3.8
West Germany	2.9
Austria	4.1
Switzerland	4.8
UK	5.3
Belgium	3.4
Denmark	9.1
France	9.6
Sweden	10.0
Spain	13.7
Italy	16.2
Greece	18.7
OECD average	6.4
EEC average	8.7



UK TODAY

CLOUDY, with rain. London, SE and Central S. E. NE and Central N. B. rain falling out. Max. 13C (55F).

Chann. Isl., SW. Wales, NW. Lake District, Isle of Man. Cloudy, rain/drizzle. Max. 13C (55F).

Brussels, Edinburgh, Dundee and Aberdeen areas. Sunny intervals, dry. Max. 9C (48F).

Rest of Scotland, N. Ireland. Sunny intervals, dry at first, becoming cloudy with rain. Max. 11C (52F).

Outlook: Rain, followed by brighter weather.

EMS negotiations Continued from Page 1

cutting its leading interest rates by a full percentage point on Thursday, stressed that although domestic economic considerations were an important factor in the move, concern about the tensions within the EMS had played a role too.

The West German Government would not doubt be willing too to accept some revaluation of the D-mark in an EMS realignment, to head off protectionist trends in France, even though on strict economic grounds it has argued publicly that the EMS tensions have not been created by the D-mark.

In Frankfurt yesterday financial markets were tense. In spite of the fall in the Bundesbank's interest rates, the long-term bond market failed to rally and in the stock market, too, prices drifted lower.

On the foreign exchange markets, trading was nervous in this market. The Bundesbank intervened publicly to support the weaker EMS currencies, the French and Belgian francs, the Danish krone and the Irish punt.

In Frankfurt the French franc closed last night just beneath its EMS floor, at DM 0.344, while the Belgian, Danish and Irish currencies all went to their lowest permissible values in the spite of support from the Bundesbank in the afternoon when speculators were closing their remaining long positions.

The pound fell in London to all-time lows against the D-mark and the dollar, closing at DM 3.565 and \$1.4875. It was the first time sterling had closed below \$1.50. Sterling's effective exchange rate, measured by the Bank of England against a trade-weighted basket of currencies, dropped to 78.8. This is its lowest since November 1976.

Banking code drafted Continued from Page 1

authorities were "satisfied that means are available for that purpose and will be used if and when necessary."

Many bankers feel this statement remains subject to interpretation and is not definitive.

The Basle Concordat, is the agreement constructed in 1974-1975 in the wake of the collapse of the Herstatt bank in West Germany. It remains to date the only full-scale formal agreement on international banking supervision.

The collapse of Banco Ambrosiano last year showed gaps in the Concordat, particularly concerning the question of which

supervisory authority is responsible for the overseas subsidiaries, holding companies or joint ventures of banking groups.

Some central bankers have argued that it should have been the responsibility of the Banca d'Italia, the Italian central bank, to monitor the Banco Ambrosiano's Luxembourg subsidiary on matters of bank solvency as the responsibility of the parent bank's central bank authority.

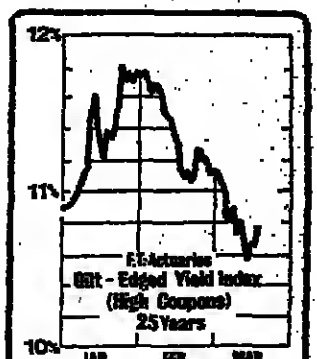
The Banca d'Italia has refused to acknowledge responsibility for the Luxembourg holding company, and there is now a

THE LEX COLUMN

Raising standards in Charlotte Sq

The pronouncements of a Chancellor are no match for a running exchange rate story when it comes to grabbing the attention of the financial markets. By the end of the week, interest had focused back on the oil price and the sterling/dollar rate, with a slide below the \$1.50 level sending both equities and gilt-edged into retreat. A BNOC price of \$29.50 has probably been built into the markets' assumptions, but the oil price Cassandra has not gone to ground and there is no telling how a jittery pound would emerge from a realignment of the EMS.

unchanged at 661.0



Investment trusts

Some of the Scottish investment trusts, which have been gathering their forces this week to do battle with invading sassenachs, but the outcome looks less like Bannockburn than a re-run of Culloden Moor. Throgmorton Trust, having twice tried to avoid open hostilities, has now marched all the way up from London with a carefully planned bid for Pentland Investment Trust. Throgmorton values its all-paper offer at 288p per Pentland share against a net asset value for Pentland of 305p per share. This kind of fire-power — not seen in the investment trust sector for many a year — has added to the general alarm already evident among some Edinburgh fund managers running trusts quaked at sizable discounts to their asset values.

Their response, amidst much waving of banners and gloomy talk about the loss of Edinburgh's financial status, led to the announcement yesterday of a proposed utilisation not only for Pentland itself but for two other trusts which had earlier indicated their own separate utilisation plans. Pentland, Dominion and General and Scottish Ontario are proposing a pooling of assets worth over £100m into one unit trust management group. Lofty sentiments about such a group's future were being aired yesterday. Given the clear intention of such major shareholders as Courtaulds Pension Fund — which owns 28 per cent of Scottish Ontario — to redeem their units at the first opportunity, the likelihood of a mass defection from the ranks seems overwhelming.

Throgmorton itself will no doubt be stressing the costs and delays of the redemption process to underline the attractions of its 288p bid, consisting half of an underwritten debenture stock and half of Throgmorton shares valued at a 20

looks certain to help, with the Maestro now poised to take advantage of the forecast gain in car sales from 1.55m units last year to 1.7m. But the commercial vehicle division is facing much bleaker prospects, particularly overseas, and a big slump there, leading to yet more of BL's truly extraordinary extraordinary, could make nonsense of all the calculations.

Package tours

Figures from Horizon Travel last week showed the industry still steaming forward in 1982 despite the gaping holes aor in booking schedules by the Falklands crisis. The results also gave an ominous hint that some of that bounce is likely to be going from sales this year. Horizon's own summer bookings have fallen by about 17 per cent and this appears to be in line with the market up to the end of January.

If the package tour operators go into reverse in 1983, it will be for the first time since 1976. In the final quarter of 1982, summer bookings were falling by 30 per cent. Even if there is a late surge in sales, which would conform to a developing pattern — as customers shop around for discounts, bookings are likely to be flat at best, and more likely 5 to 10 per cent down.

Lack of job security and an increasing willingness to make independent arrangements for overseas holidays may be partial reasons for this slide. Perceptions of currency problems may be another, although despite sterling's well-publicised problems against the dollar, the pound has strengthened by 6 per cent against the peseta since last June, and almost 8 per cent against the dracma.

Whatever the reasons, the package tour operators are left fighting for volume, as illustrated by Thomson's rejigged, price-cutting brochure late last year and the collapse of some smaller operators. Since its marketing play, Thomson has been picking up market share, along with Intasun which had earlier launched a guaranteed price offer. With the industry growing from its entrepreneurial beginnings into a more mature phase, the larger and more sophisticated groups ought now to be able to benefit at the expense of the small fry. But both Horizon and Intasun are merely showing the current pressures in their present share prices, which at 172p and 123p respectively last night are either down or level with last October.

BL

BL's distant ambition to attract private capital has done nothing to change its time-honoured habit of producing almost meaningless financial statements. In the 1982 edition, several of the numerous loss centres are identified, but it is impossible to see how badly — well — units such as Jaguar or Land Rover are faring and even a split between car and commercial vehicle production is obtusely avoided.

The results suggest, however, that BL could be on line for its 1983 target of "approaching breakeven" at this pre-interest level: a similar loss reduced this year as last when the trading deficit was cut by £119m, would almost take it there. The group's problem will be to get to this point while relying on only £200m of Government funding after the much heavier transfusions of previous years. The UK market

Take a short cut to the USM

+56% IN SIXTEEN MONTHS

The Unlisted Securities Market (U.S.M.) is now an established part of The Stock Exchange London and has given investors access to young, fast developing companies, many of which operate in the expanding technology field.

Britannia Unlisted Securities Market Fund Limited, which is unique, offers investors a simple and easy way to participate in this market.

To obtain the best results from this dynamic market, investors need professional management. The Britannia investment team has developed a considerable expertise in the analysis of small quoted companies and unlisted securities. Since the Fund was started in October 1981 the offer has risen by 56.4% compared to a 54.9% rise in the Tring Hall Index (an all share index of the U.S.M. market).

The fund currently invests in more than 40 U.S.M. stocks. This provides a diversified portfolio, so essential in a market, which by its very nature is likely to be volatile, but well traded.

Benefit from the most exciting investment opportunity available in the U.K. today by returning the coupon below.

The fund is based in Jersey and is listed on The Stock Exchange, London.

Britannia Unlisted Securities Market Fund Limited

Britannia International Investment Management Limited, P.O. Box 271, Queensway House, Queen Street, St. Helier, Jersey, Channel Islands. Telephone: 0334 73114

Investors should note that past experience is not necessarily a guide to future performance.

Name _____

Address _____

Please send me the preliminary prospectus for the Britannia Unlisted Securities Market Fund Limited (underwritten by the above-named company) and its subscription form.

Reproduction of the contents of this newspaper in any manner is not permitted without the prior consent of the Publisher, The Financial Times, 1, Cannon Street, London EC4A 3DF.